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# FOLLOW-UP TO THE WORLD SUMMIT FOR SOCIAL DEVELOPMENT

## Letter dated 6 February 1997 from the Permanent Representative of Denmark to the United Nations addressed to the Secretary-General

In the context of the follow-up to the World Summit for Social Development in Copenhagen, Denmark, in March 1995, the Government of Denmark has since last year been organizing a series of seminars to pursue the elaboration of the ideas reflected in the Copenhagen Declaration and Programme of Action.

The first Copenhagen Seminar for Social Progress took place at Havreholm, near Copenhagen, on 4 to 6 October 1996. It would be most appreciated if the attached report, which is available in English only, could be circulated as an official document of the thirty-fifth session of the Commission for Social Development, under item 3 of the provisional agenda.

(Signed) Benny KIMBERG
Ambassador
Permanent Representative

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ROYAL DANISH MINISTRY OF FOREIGN AFFAIRS

1996 COPENHAGEN SEMINAR FOR SOCIAL PROGRESS

# CONDITIONS FOR SOCIAL PROGRESS

# A WORLD ECONOMY FOR THE BENEFIT OF ALL

## REPORT

30 JANUARY 1997

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## PREFACE

The United Nations World Summit for Social Development, convened in Copenhagen in March 1995, adopted a Declaration and a Programme of Action on objectives and measures to address issues of poverty, unemployment, and social disintegration. In the year 2000, the General Assembly of the United Nations will hold a special session to review and appraise the implementation of the decisions taken by this global conference.

In this context, the Government of Denmark is organizing the Copenhagen Seminars for Social Progress. Taking the text of the Social Summit as a basis, the aim of these international seminars is to analyze, challenge, and enrich the information, ideas, and values that underlie debates and policies on development.

The first Copenhagen Seminar was devoted to the relationships between changes in the world economy and changes in living conditions and the functioning of societies. The starting point of the discussion was that the quality of international economic trends and arrangements ought to be assessed in the light of the distribution of the opportunities they open and the benefits they yield.

Probably about two thirds of humanity remains untouched by the process of globalisation which, in its economic, financial, political, and cultural aspects, is nevertheless of great significance and dynamism. It is a process which needs to be enriched, democratized and shaped by values of equity, solidarity, and social responsibility. Through democratic debates and institutions, all countries and citizens ought to have a voice in the decisions that are creating a new international community. A global village is incompatible with an increased concentration of power and increased inequalities.

It is our hope that the Copenhagen Seminars will contribute to a broad debate on the ideas and policies that affect the human condition.

Poul Nielson
Minister for Development Cooperation

## NOTE

The first Copenhagen Seminar for Social Progress was held at Havreholm, near Copenhagen, on 4 to 6 October 1996. The subject was Conditions for Social Progress: A World Economy for the Benefit of All. The themes and questions proposed for discussion at Havreholm are given in Annex II.

The list of participants is given in Annex I. Chaired by Poul Nielson, Minister for Development Cooperation and initiator of the Copenhagen Seminars, the meeting was attended by persons from different regions of the world and different walks of life who came to Havreholm in their personal capacity.

This report has been prepared by the secretariat of the Copenhagen Seminars. It does not commit the responsibility of the participants.

A book, which will include this report and the background papers mentioned in Annex III will be published in the coming months by the Royal Danish Ministry of Foreign Affairs.

Jacques Baudot

Secretary of the Copenhagen Seminars

## ASSESSING THE RISE OF GLOBAL CAPITALISM

It is always tempting to attach a label to a particular period of history. When the sunset of a century is also the end of a millennium, excessive fears are balanced by unreasonable expectations, and what is for some an age of inhumanity, or the beginning of an ecological disaster, is for others the dawn of a golden age where knowledge and technologies will liberate humankind from all constraints and limitations.

Apart from such eschatological and millenarist thoughts and emotions, it can be reasonably argued that the last quarter of the 20th century is marked and shaped by the rise of global capitalism.

Global capitalism is only a part of the world economy, which is made of activities and transactions occurring within, among and across nations. It remains true that most economic activities and exchanges occur within national and local boundaries and that most transactions of direct relevance to the immense majority of people are done in local currencies, which are not always convertible. Even barter, is still widespread. As an indicator of the limits of the international economy, it is estimated that 50 per cent of the world population has no familiarity with the telephone.

It also remains true that most countries have a limited participation in the international economy. About 80 per cent of world trade is conducted between the members of the Organisation for Economic Cooperation and Development. The five main economies in the world account for 70 per cent of foreign direct investment. In fact, the international economy is concentrated in the "Triad" made of North-America, Europe, and Japan.

### *Growth of the International Economy*

Yet, it is the international part of the world economy, or global capitalism, which is growing fast and which is setting the tone, politically and ideologically.

During the last twenty years, the volume of world trade grew twice as fast as the world output. Exports represented 6 per cent of the world Gross Domestic Product in 1950 and 16 per cent in 1992. In United States dollars, the value of world exports jumped from 61 billion in 1950 to 3,447 billion in 1990. There were 5 billion foreign direct investment in 1960 and 171 billion in 1992. Still in dollars, foreign exchange transactions grew from 15 billion per day at the beginning of the 1970s to a staggering 900 billion per day at the beginning of this decade.

This surge of a global economy was made possible by the loosening and often suppression of regulations established by most countries. to control trade, investment, and financial transactions. Initiated in the 1950s, this movement, known as "deregulation" gained a very strong momentum in the United States in the 1970s, swept through Europe and Asia in the 1980s, and is still progressing. The newly established World Trade Organisation is working towards free trade and also trying to put on its agenda the liberalisation of investment and related issues such as competition, the "social clause", corruption, and the environment. World affairs are discussed and decisions affecting the human condition are increasingly taken within an economic framework and with the objective of establishing a "global market".

The liberalisation of the world economy, that is the unleashing of the forces operating with an ethos of competition, efficiency and profit, benefits from a very favour-able intellectual, political, and technological climate. An intellectual foundation for global capitalism is provided by the classical economists, notably Adam Smith, with his view of a rational order created by market exchanges, and David Ricardo with his theory of comparative

advantage as the basis for trade. Closely related is the utilitarian philosophy, with its rejection of religious traditions and norms and its focus on human well-being as the yard-stick for social and moral evaluation of individual and public actions. At the source of freedom for the individual, this philosophy permeates the modern psyche and is at the core of the contemporary mainstream economic thinking. Poverty is defined as a lack of having rather than insufficient being. The multiplication of rapidly obsolete goods generates economic growth. And all countries are invited to join a "global market". Development and social progress are seen as the products of a larger and more competitive market.

Politically, the reliance on the market as a source of freedom and prosperity was facilitated by the loss of prestige of the state. At the end of a century stained by much totalitarian and malign abuse of state power, it is easier to advocate deregulation than to promote public intervention in economic affairs. The state is often looked upon with suspicion and identified with waste and obstacles to private initiative and creativity. Industries and services, which, because of their importance for the national economy and for the welfare of people, had been created by states or nationalized, are now privatized for reasons of efficiency. Even state planning, that is the elaboration of objectives and strategies for economic and social development, is generally perceived as an obstacle to a good functioning of the market.

Also favourable to global capitalism is the dominance of the United States as a superpower and of the dollar as the international currency. By the end of the 19th century, under the leadership of Great Britain, capitalism had already reached universal dimensions through a largely free movement of goods, capital and labour across national boundaries. This process of economic integration on a global scale was interrupted by two world wars, fascism and the Russian revolution. It resumed after World War II and most recently acquired an enormous strength after the collapse of the Soviet Union and the economic opening of China.

It is therefore intellectually seductive and politically coherent to consider that the current rise of global capitalism is both the culmination of a historic process initiated with mercantilism and the physiocrats and the promise of an era of prosperity for all. And, the fact that the leading power is a nation with remarkable innovative capacity and a great emphasis on individual freedom and the pursuit of happiness, provides an added political legitimacy to capitalism on a universal scale. Politically and culturally, the values of openness, exchange, initiative, efficiency, and competition have acquired formidable force.

In the leading economic countries, great scientific and technological breakthroughs have occurred to provide global capitalism with most efficient means. The technological revolution in transport and communications has dramatically reduced geographical barriers both for the emerging international class of entrepreneurs, managers, and financiers and for the economic and financial transactions that criss-cross the world at a remarkable speed and greatly reduced cost. Useful trade transactions as well as dubious and immoral speculative ventures are now possible without physical and time constraints. Obviously, the full use of this technological revolution by the private sector would not have been possible without the dismantling of state regulations. In addition, there are new techniques of production and new forms of industrial organisation which have a symbiotic relationship with global capitalism. Many production systems are so flexible that the location of industrial activities can be decided on the basis of criteria that are not strictly economic. For a variety of reasons, ranging from technological developments to economic and political decisions, wages have a declining share in production costs. Labour is becoming a dispensable commodity. The traditional, albeit often difficult and conflicting, balance between capital and labour has shifted towards a domination of capital during the last quarter of the 20th century.

**Globalisation, as seen by:**

*The G.7:*

*"Economic growth and progress in today's interdependent world is bound up with the process of globalisation. Globalisation provides great opportunities for the future, not only for our countries, but for all others too (...). History shows that rising living standards depend crucially on reaping the gains from trade, international investment and technical progress. Globalization also poses challenges to societies and economies. Its benefits will not materialize unless countries adjust to increased competition (...). Our countries have made a decisive contribution to the progress of liberalization and globalization. We must do our best to ensure that this process fully responds to the hopes it has aroused and that globalization serves the interest of people, their jobs and quality of life. (...) This requires increased international cooperation (...)."*

*Lyon Summit, Economic Communiqué, Making a success of Globalization for the benefit of all, Lyon, 28 June 1995.*

*The World Federation of Trade Unions:*

*"The changes taking place in the international environment are, arguably, the most fundamental redesign of the planet's political and economic arrangements since the Industrial Revolution. These changes, imposed by the international financial institutions, have, in many instances, forced countries to open up their economies to penetration by transnational corporations (...). This restructuring has severe social consequences that are, in our view regressive (...). Governance is being transferred from nations to transnational corporations that, by their very nature, serve only the short-term interests of their most powerful shareholders. In practice, the global economy is becoming a protectionist scheme used by TNCs and banks to expand their power, unfettered by the inconvenient checks of democracy."*

*Memorandum to the 1996 Substantive Session of the Economic and Social Council, 19 July 1996.*

*And UNCTAD:*

*"Our economies continue to be united by flows of trade, finance, information and technological change (...). Countries enter this system from very different starting points. Accordingly, the impact of globalization and liberalization is uneven (...). The least developed countries (LDCs) particularly those in Africa, and other developing countries remain constrained by weak supply capabilities and are unable to benefit from trade. Marginalization, both among and within countries, has been exacerbated (...)."*

*The Midrand Declaration, Midrand, South Africa, 27 April 1995.*

### *Dimensions of Social Progress*

An economic system has no intrinsic value. Be it mercantilism, capitalism or socialism it has to be assessed in relation to its contribution to the betterment of the human condition. At this point of history, three levels of assessment are most relevant: the individual, the nation and the world as a whole.

For the individual and his or her family, an economic system is good if it provides for the necessities of life, if it gives freedom for other activities and pursuits beyond mere

subsistence, and if it facilitates or even simply permits participation in the economic life of the community. These criteria have a time dimension. Views on an economic situation and system are strongly influenced by perceptions of what the future might offer, to the individual and the next generation.

For a country based on democratic principles and oriented towards the welfare of its members, comparable criteria apply. An efficient economic system ought to provide opportunities for sufficient income to all citizens. It ought to generate enough resources for the state to fulfil its responsibilities, internally and, increasingly, vis-a-vis other members of the human community. And it ought to be a system for which the national government has a say, a role and power. Questions of time horizon also arise, because there is always a tension between the inherently short term nature of politics and the long term consequences of political decisions.

From the perspective of the world community, it is also legitimate to assess the quality of an economic order through the same basic criteria of equality, sustainability and participation. Does the prevalent world economic order offer an economic base to all people of the world? Is it sustainable and does it respect the integrity of the planet, the welfare of future generations and the richness of the human spirit? Does it allow participation in decisions by all countries and does it leave room for diversity in cultures and visions of individual and social progress?

These different levels of assessment and criteria can obviously lead to various interpretations and yield divergent results. An economic system might benefit a few individuals, social classes or countries, and be neutral or detrimental to others. It might be positive for the welfare of the current generation and detrimental to the next. It might increase levels of living, but destroy cultural diversity, or freedom of the individual. Unfortunately, there is no guarantee that what is good for an individual, company or nation, is also good for the world and its future.

Clarity in the object, purpose and perspective of an assessment is therefore critical. Here, the object of the assessment is global capitalism, seen as the dynamic and ideologically dominant part of the world economy. The purpose is to analyze, enrich and improve the ideas and policies of the main actors on the world scene. It is to identify the positive and negative aspects of global capitalism from the viewpoint of social progress and the common good. The perspective is the world community as a whole and its future. The emphasis on social and economic justice and on the need for harmonious relations between groups and nations, means however that the situation of the weakest members of society is taken as one of the main criteria for assessing the value of specific economic and social arrangements.

This approach implies that comparisons, of different systems and different periods of history, are only incidental. Yet, apart from uncertainties due to the range and quality of the available information, a reduction of poverty or an aggravation of inequalities has a different meaning if the period of reference is one, twenty or one hundred years. As the intention of the 1996 Copenhagen Seminar was to clarify the relationships between the current world economic system and social progress, the period of reference coincides roughly with the emergence of this system in the 1970s and 1980s.

Also relevant, are a few orientations that shaped the preparatory work for the Seminar.

Social progress refers to individuals and society, and to the individual in society. Contrary to social change, social progress has a positive connotation and is defined by reference to a system of values. As it evokes processes and deliberate objectives and decisions, the concept of social progress rejects determinism and conveys a sense of purposeful effort by all

concerned. Contrary to social development, which has its origins in the North-South division, social progress is applicable to the world as a whole.

Rejection of determinism stems from the observation that the process of globalisation and economic integration is preeminently a social and cultural phenomenon. Human thoughts, choices and decisions shape the evolution of the world. The merging of economies and societies in a single market and uniculture is one among possible futures. The contours of the international economy, today coloured by global capitalism, are designed by individuals and institutions with a varying capacity for autonomous decisions.

Positive changes in the world economy and society can only be the results of a multiplicity of decisions freely taken by all the actors concerned. Coercion, including for a worthy cause, is antinomic with human dignity. Social progress has a politico-legal dimension which is to ensure that individuals, groups, communities and nations have free exercise of their rights and responsibilities and are protected from abuse of power. At the same time, autonomous ideas and decisions contribute to the common good only if they are informed by a shared ethos and perception of the right and wrong, and of the useful and detrimental to humanity. The determination of this ethos ought to be the result of a democratic political process, at all levels, including on the international scene. And, while all actions influence the functioning of society, individuals and institutions with the greatest power have also the greatest responsibility in defining and applying common rules of the game and the search for the common good.

On this basis, it would seem that addressing current obstacles to social progress requires a democratisation and enrichment of the process of globalisation; the development of a culture of solidarity; the identification of values that could foster a global community; and, an active role of various actors and institutions to create a humane world economy. These questions and objectives are discussed below.

On social progress, from the Social Summit:

"*Our societies must respond more effectively to the material and spiritual needs of individuals, their families and the communities in which they live.*" - Declaration, para. 3.

"*We will (...) promote democracy, human dignity, social justice and solidarity at the national, regional and international levels; ensure tolerance, non-violence, pluralism and non discrimination, with full respect for diversity within and among societies.*" - Declaration, para. 26 (f).

"*We will (...) support progress and security for people and communities whereby every member of society is enabled to satisfy his or her basic human needs and to realize his or her personal dignity, safety and creativity.*"
- Declaration, para. 26 (l).

"*We invite all people to express their personal commitment to enhancing the human condition through concrete actions in their own fields of activity and through assuming specific civic responsibilities.*" - Declaration, para. 27.

"*To promote social development requires an orientation of values, objectives and priorities towards the well-being of all and the strengthening and promotion of conducive institutions and policies.*" Programme of Action, Chapter I, para. 4.

## OBSTACLES TO SOCIAL PROGRESS

A number of current problems are obstacles to social progress and have a link- if not always a cause effect relationship - with the rise of global capitalism.

### *Uncertain Prospects for Economic Growth*

Although masked in the current very fast growth of large and small countries in Asia, global statistics suggest a worrisome trend. The world economy grew at a rate of 5 per cent during the 1960s, 3.6 per cent during the 1970s, 2.8 per cent during the eighties, and 2 per cent during the first half of the nineties. The leading economy, the United States, experi enced an average annual growth of 3.4 per cent between 1973 and 1993. In the same country, productivity rose at a rate of 2-2.5 per cent between 1890 and 1950, 2.5 per cent between 1948 and 1973 and below 1 per cent from 1973 to 1993. Savings have declined in the economically developed countries. For the OECD as a whole, aggregate savings for both governments and the private sector, as a percentage of GNP, have decreased from more than 15 per cent in the mid 1970s to 7 per cent in the early 1990s. Given the growing obsolescence of infrastructure and basic research in the industrial world, the implications of low savings for future growth are most serious.

Equally worrisome for the level and quality of economic growth are three tendencies of the world economy which have emerged during the last few decades: there is a divorce, or at least a lesser linkage, between growth of output and creation of working opportunities; there is an increasing gap between the volume of national product and the volume of raw materials and commodities required to produce it; and, there is a loosening link between the real economy and the financial speculative sphere.

### *Reduction of Poverty: Ambivalent Trends*

Defining the reduction of poverty in modern and essentially, quantitative terms, there is no doubt that over the last fifty years a spectacular progress has occurred in the world. There is a strong and logical correlation between growth in aggregated per capita income and reduction of material poverty. Social indicators, notably reduction of infant mortality, increased life expectancy and lower morbidity confirm that levels of living have dramatically improved in all regions of the world and for most countries and people.

Considering still material poverty, but over the shorter period of the last ten-twenty years, facts and impressions are more diverse, even contrasted.

Poverty has been and continues to be reduced in most East Asian countries, including China. There has probably been a one-third decline of the population below the poverty line in this part of the world. Poverty has also been brought down in countries of South Asia with large populations, notably in Indonesia and Malaysia, and to some extent in India. On the other hand there is opposite evidence for most countries of Latin America and for Africa as a continent. There, the number of poor people appears to have increased during the last two decades and, in some countries and communities, poor people have seen their condition worsened. Roughly again, there was rapid economic growth in Asia, and negative, slow or moderate growth in Latin America and Africa.

Perhaps most significantly for an assessment of trends, there is little doubt that poverty has increased during the last ten to fifteen years, in number and proportion of people affected, in most economically developed regions and countries. In the worst cases, notably in Russia, widespread deprivation is already reflected in a reversal of the long term upward

movement of social indicators. Morbidity and mortality rates are increasing and life expectancy is declining, especially for the male population. In other cases, including the United States and Western Europe, there is both statistical and visual evidence that the number of destitute people has increased during the same period.

Overall, there is still a very large number of materially poor people - perhaps around 1 billion - in the economically developing world, and poverty and economic insecurity is rising in the great majority of the economically developed countries.

***Reduction of Inequalities: Reversal of a Secular Trend***

Questions of equity, social justice, equality and inequalities are fairly complex. While material poverty and deprivation is an issue conceptually clear and statistically manageable, inequality is a much debated concept, has many facets, and has concrete as well as psychological and cultural dimensions. Yet, for the purpose of relating economic trends and arrangements with movements in the reduction or increase of inequalities, income is a good proxy and its distribution a good indicator. Also, debates and policies on poverty and social justice should never lose sight of the fact that, in this modern civilisation, an individual needs money to have autonomy and freedom. The availability of a personal and disposable income is, for most people a requirement for dignity and participation in society. Similarly, countries need an economic base and power to play a role on the international scene.

There are questions of distribution of income among people, and between countries.

Among people, during the last part of the 20th century, income inequalities have increased globally. Estimates are that over the past thirty years the share of global income of the world's richest 20 per cent rose from 70 per cent to 85 per cent, while the share of the poorest 20 per cent fell from 2.3 per cent to 1.4 per cent. In countries with high rates of economic growth, notably East Asia and China, increased inequalities between the top and bottom 10 per cent of households have accompanied reduction of poverty. There is, almost everywhere, a highly visible and growing gap between an urban and affluent new class of entrepreneurs and the lowest income groups. In developing countries with low or negative economic growth and with policies of structural adjustments and reduction of public services, inequalities have also increased as part of the population has been further marginalized. This tendency is even clearer in the economically developed societies and in the former socialist countries. There, inequalities in income, job opportunities and access to services have become increasingly conspicuous. When, as in a number of economies considered in "transition", deprivation, poverty and inequalities of all types are compounded by the lavish life style of a new capitalist class and by growing criminality and insecurity, the whole social fabric is in jeopardy. With very few exceptions in small countries with a social-democrat tradition, the last decades of this century are marked by a reversal of the drive for more equality which was initiated with great strength after World War II. Within the middle-class, women have improved their situation in terms of rights and income, but inequalities between groups have lately become more acute. Classes with obvious distinctions and lack of upward mobility are becoming features of most societies.

Between countries, inequalities in income are also increasing. It is estimated that the gap in per capita incomes between the industrial countries and the developing countries tripled from US$ 5,700 in 1960 to US$ 15,400 in 1993. By 1994-1995, the GNP per capita in the world was US$ 4,600. This average meant a GNP per capita of US$ 24,000 in the richest countries with a total population of 849 million, and a GNP per capita of less than US$ 400 in the poorest economies where more than 3 billion people live.

*Economic Justice: Lack of Opportunities and Insecurity*

Economic justice, defined as the possibility for all adults to have an economic activity, to participate in economic life either independently or as an employee, is the essence of the market system. The superiority of a market economy over other types of arrangements is to enable individuals to exert freely their initiative, to work productively to fulfil their needs and thus contribute to the wealth and welfare of society. More than social justice, which is the distribution of the fruits of human activity, and more than political justice, or the democratic distribution of power, economic justice is the litmus test of the good functioning of a market economy.

With economic reform in China, the removal of various obstacles to economic activity in many countries of East and South Asia, the end of detailed central planning and control in Russia and countries of central and eastern Europe, many obstacles to economic justice have been eliminated in these parts of the world. The United States, other economically affluent and a number of developing countries, remain or have become lands of opportunities. In services and in some industries, notably the electronic industry, small businesses are flourishing and entrepreneurship is very much alive. In economically poor countries, a small modern sector and the "informal sector" enable some people to exert their initiative and participate in the market.

There are, however, very strong forces which seem to render economic justice difficult to achieve. In addition to the continuation of the decline in the number and proportion of people making a living from agriculture, new domains of activity and new profes sions do not offer at this point of time enough opportunities for young people across the world. There are dramatic problems of unemployment and there are often, in developing and developed economies, serious obstacles to individual economic initiative. Lack of credit facilities, administrative or fiscal disincentives, problems of access to knowledge and technologies, difficulties in competing with large companies, are common impediments to individuals wishing to integrate the market economy in an independent manner. In some countries of Western Europe, while many small enterprises are created, half of them disappear before five years of operation. Unemployment, exclusion from the economic life of society, disappearance of small farmers and small entrepreneurs, are major threats to economic justice.

Economic justice requires economic security. Lately, there has been some confusion between the need for people to adapt their skills to changing technologies and the submission of workers and employees to the "laws of the market" and the "imperatives of competition". The concept of "flexibility" has been introduced in the corporate and political language to justify the weakening of worker's rights in terms of contractual arrangements and job security. The word "downsizing" has given the appearance of technicality and rationality to decisions often due to the search for more profit. Large numbers of men and women have lost their job, and with it their professional and personal pride, on the occasion of mergers whose justification were at best purely financial. Precariousness in working conditions has increased dramatically in countries with a high level of economic development. Exploitation of labour, particularly women and children, exists in the "informal sector" of many societies, rich and poor, developed and developing. Cases of slave labour are regularly reported. In some respects, it seems that the working and living conditions described at the beginning of the industrial revolution by Charles Dickens or Emile Zola are reappearing throughout the world.

*Economic Power: an Increased Concentration*

The leadership of a few affluent countries in shaping the process of globalisation and economic integration is symbolized and officialized by the annual meeting of the seven major economic powers, known as the G.7 Meetings. A few other developing countries, perhaps a dozen, including China, Indonesia, Malaysia, Brazil and Mexico, are active partners in this process of integration into the "Global Market". They are not leading, but their voice is heard and they represent important elements in the strategies of the most powerful. The other countries, whether affluent but small or, for the great majority, poor and struggling with a large array of economic, social and demographic problems, are only marginally involved in the international part of the world economy. Many of them are trying to join the movement, but with a limited say and a narrow or inexistent margin of manouvre. If large enough, those developing countries are considered as potential markets for the investments and products of the dominating economies. Otherwise, they are condemned to be aid recipients.

In close symbiosis with the leading role of some nations, the process of globalisation has placed relatively new players on the centre-stage. These are international corporations and international banks or financial intermediaries. There are approximately 40,000 transnational corporations worldwide, with 250,000 foreign affiliates. Within this expanding universe, there has been a concentration of power: the top 300 transnational corporations account for approximately 25 per cent of world wide assets. At the national level, mergers of companies and financial holdings contribute to a centralisation of economic power. Also, the growing influence of an international class of bankers, financiers and managers, speaking the same language and operating within the same type of rationality, has been so far paralleled by a decline of the role and membership of trade-unions, at the national and a-fortiori at the regional and international levels.

As there is a concentration of power in both financial institutions and the media, and as these very powerful forces share the same neo-liberal ideology and interests, one can speak of a "finance-media complex" with a leading role in world affairs and in the shaping of modern civilisation. National and international financial institutions have, especially since "deregulation", a decisive weight - sometimes a veto power - on decisions of national governments. The small parcel of economic and financial power that the leading governments, banks and corporations leave to international organisations is entrusted to the Bretton-Woods institutions and to the World Trade Organisation which are controlled by the most powerful actors. These institutions have a much greater influence than the United Nations and the Specialized Agencies on all matters of development. The media contribute more than any other institution to the emergence of a culture where money has a dominant role and where success, in individual and collective terms, is identified with the accumulation of riches and power.

There are now more countries than twenty years ago with modern industries, modern technologies and a technically competent managerial class. However, this modernisation has many facets. For example, the shift that occurred during the last decades of industries from the North to the South, notably in textiles, clothing and footwear, has been spectacular. But, studies from the ILO show that this shift of labour intensive industries to the South has been accompanied by a parallel shift in production from the formal to the informal sector, with generally negative effects on wage levels and working conditions and with more abuse of working rights. World-wide, employment in the formal sector of the production of textiles, clothing and footwear has changed very little since 1980 - around 23 million people - while it is probably five to ten times more in the informal sector. Even in the formal sector of these industries, there has been no reduction of differences in wage levels between countries of the

North and South. The average hourly cost - wages and social charges - in the textile industry remains, for example, four times higher in Italy than in South Korea and nine times higher in Germany than in Mexico. Thus, globalisation, as now unfolding, does not lead to more equality in earnings, nor to greater power for labour in the South, nor to more economic democracy.

A prominent illustration of the current process of concentration of economic power at the world level is provided by the a-contrario situation of Africa. Africa south of the Sahara represents only 2 per cent of world trade and receives less than 5 per cent of foreign direct investments. Average GNP fell by more than 2 per cent per year and income per capita declined since the beginning of the 1980s. In 1996, however, there was the beginning of a reversal of this downwards trend, as an increase of the average GNP of 5 per cent meant a better income per capita for a majority of African countries. Still since the beginning of the 1980s the prices of raw materials and commodities, which account for 94 per cent of Africa 's exports, dropped by 30 to 45 per cent. Food production was 20 per cent lower at the beginning of the 1990s than in the 1970s, while Africa 's population almost doubled. The external debt of the continent reached US$ 271 billion by the mid 1990s and the servicing of this debt accounted for 35 per cent of export earnings and involved more public resources than the provision of basic health services. Up to now, Africa has been economically marginalized by the process of globalisation and integration.

The growing concentration of economic power in the world is accompanied by lack of transparency of economic and financial decisions and transactions and by absence of accountability of the main actors. Whether or not the rise of global capitalism is an operation of domination of the world conducted by a few individuals, governments and institutions, it is not a secret plot. It receives a lot of attention. The communiqués of the G.7 are reproduced in the media. The salaries of chief executives in businesses are sometimes publicized - an increase of 92 per cent in the United States from 1990 to 1995, to reach a level 140 times higher than the pay of an ordinary factory worker, as compared to 4 to 5 times in Japan. Cases of corruption in both governments and the business community are frequently denounced and brought to justice. Problems of unemployment and exclusion in the affluent societies are debated and the plight of people and nations in situation of deprivation and poverty is often described.

But, neither at the national nor at the international or regional levels, are there fora where the main actors of the globalization process would be requested to present their views and strategies and the characteristics and results of their actions. In most democratic countries, including the very powerful, parliaments have great difficulties grasping, debating, and orienting the economic and financial policies which shape the living conditions of their electorate. On the international scene, the General Assembly of the United Nations, which is the only universal forum of government representatives, has experienced a steady decline in its role on economic and financial matters. In spite of repeated demands of the developing countries, there has been no world conference convened to debate directly questions of economic cooperation, financial transactions and flows, or the financing of development and social progress. This fact reflects both the balance of power in the United Nations and the intellectual weight of the liberal tradition according to which economics belongs to the private sector and sphere of society, while peace, order and security - including on the "social" front - are in the public domain. In any event, such lack of transparency and accountability is creating a dual world and, most probably, a growing feeling of alienation among the majority of people in the world. The rise of global capitalism is not a democratic affair.

*Threat to the Global Commons*

The understanding that there were limits to the use and misuse of the planet earth is perhaps, with decolonisation and the end of the Apartheid system, one of the few major achievements of the second half of the 20th century. With the help of the United Nations conferences in Stockholm in 1972 and Rio de Janeiro in 1991, many initiatives have been taken, at all levels and in most countries, to modify and tame a Promethean and destructive attitude vis-a-vis the resources that make life possible on earth. A large number of ministries, agencies, public and private institutions are working to reconcile economic growth and the protection of the environment. This is an issue understood by the ordinary citizen of all countries. And, the concept of "sustainable development " has become an integral part of the international discourse, while precise conventions and treaties, notably on climatic changes and biological diversity, have been elaborated and are being implemented by the international community.

Yet, the battle for more respect of the planet and its bounty is far from finished. It can still be lost in a variety of domains which are critical for the welfare of future generations. The text adopted in Copenhagen by the Social Summit refers in several contexts to "the unsustainable patterns of consumption and production, particularly in industrialized countries". The threat to the global commons, is a theme based on facts not questioned by the mainstream of economic thinking. The approach to industrialisation pursued by the former Soviet Union and former socialist countries of Eastern and Central Europe has done much damage to the environment and its consequences are still threatening for this region and the world. The economic development of China entails also severe problems of pollution and depletion of natural resources. In many developing economies, a mixture of poverty and projects focused on growth and short term returns leads to deforestation, erosion and other damages to the environment. Overall, while a number of private companies are pioneering products and types of production respectful of the integrity and beauty of the planet, the average tendency of the firm is to externalize the social and environmental costs of production. There is still overexploitation and degradation of common property resources with overfishing, overgrazing, excess cutting of timber, air pollution, water pollution and the use of chemicals and other products dangerous to the planet and its inhabitants. The realisation that Man ought to have respect and love for other species and for nature is a slow process and a project often in contradiction with the current understanding of growth and development.

*Excessive Materialism and Cult of Money*

Though related, the question of whether the pursuit of material well-being is good enough a project for humanity, is less common in the political and international discourse. This question traditionally belongs to religious and philosophical realms. Yet, it has a number of formulations which are familiar to the modern psyche, including: what sort of world is viable? What is a good life, and a good society? Is it possible to change course, to adopt a different path? What could be the contours of a different model, of a new ethos? Are there visible signs of a renaissance of the spirit? What are the ways to promote a market economy while rejecting a market society? How to transform consumers into citizens and build democ racy on the international scene?

These questions reflect, an intellectual, moral and psychological malaise with the state of the world and the dominant ideology. While account has to be taken that change, and especially rapid change in many domains, generates questions, fears and dreams of stopping the course of history, a better economic situation, less poverty and less conflicts would

certainly modify the mood of the time. Serious problems exist nevertheless in all parts of the world, including alienation of youth, disintegration of the social fabric, decline of politics and political institutions, widespread corruption, violence at all levels, terrorism of different types, new and threatening diseases, and in general a seemingly growing intolerance and difficulty for people to live together in peace and harmony. It would seem: as if there was a spiritual and moral vacuum on planet earth; as if the institutions which are responsible for the welfare of society were unable to address properly and democratically the main problems of the time, including unemployment, poverty, and alienation; as if those who are contributing to the process of globalisation had no understanding of what they are doing - and no sense of direction, except the creation of a "global market"; as if, above all, the world was becoming one and small, only to be engaged in a mindless race for more and more money, comfort, power, with less and less soul and spirit.

It might be that the main problem with global capitalism is that economic preoccupations and objectives have invaded the modern psyche to a point of complete domination. Cultures and traditional ways of life are destroyed on behalf of an economic progress which often takes the face of a slum on the outskirts of a city. Countries are classified according to their G.N.P., or per capita income. These indices and figures are quoted everywhere since a society well-being is assessed primarily in terms of economic growth and financial stability. The behaviour of the stock market has become the media's daily indicator of the health of an economy and society. If unemployment declines and the stock market "reacts" negatively for fear of inflation, this is considered in influential circles and media as bad news.

In a very pervasive way, money has invaded most spheres of life, from science to sport and from art to the management of local affairs. There are fewer and fewer human relations which, in affluent societies, are not shaped by financial considerations. This phenomenon is reflected in a frequent delinking between levels of earnings and social usefulness of the work accomplished. Financial speculation epitomizes this situation.

Again, as for the magnitude of the social problems that beset many societies, comparisons with the past are not necessary to justify the search for correctives. It was noted that Emerson said that "things are in the saddle and run mankind". This observation can be considered to apply now, whether or not it correctly characterized the situation a century ago.

On matters of culture and spirit of the time, everything counts, from an individual accepting or refusing corruption to the discourse of a world leader on the legitimacy of greed or on integrity and responsibility, from the shape of a project financed by ODA in a poor country to the international regime for patents. And it would obviously be fallacious to propose a list of remedies for what can be considered excessive materialism in the modern psyche. But, as a minimum, the spirit of the time should be considerably enriched, and the process of globalization made less unidimensional. Correctives are at work in the world through many initiatives and efforts.

### *Confusion Between a Market Economy and a Market Society*

The virtues of a market economy, a system promoting individual initiative and exchanges of goods and services, are well recognized.

A market society would have the following features:

The pursuit of material well-being would be a dominant and, for some, exclusive objective; or, in more philosophical terms, a reasonable utilitarianism would be transformed into a narcissic hedonism.

There would be a cult for money, spreading in all spheres of life and society; informal and spontaneous forms of exchanges between individuals, would disappear and there would be a "legalisation" of most relationships. Corruption would be widespread.

There would be a weakening and destruction of activities, organizations, and associations of various types which, based on the dedication and generosity of individuals, provide the moral "fuel" without which society and its major institutions connot function.

Political institutions and processes would decline together with the notion of service; the function of teaching and educational institutions would also decline. And, the medical profession and health services would be entirely commercialized.

Science would be dominated by objectives of profit and power and scientific achievements would be mad to serve the same purposes.

Traditional cultures and forms of social intercourse based on trust and rituals ould be destroyed and replaced by a mindless race for money and material comfort.

Various forms of irrationality would flourish together with bizarre cults offering to individuals the false security of a pseudo-community. Crime and violence would plague societies. There would be a generalized spiritual and moral vacuum.

Ultimately, the market economy itself would be hampered, for it required also, to be efficient, trust and interiorized norms and values.

Not uncommon in a number of contemporary societies, the above features are often accepted as trends shaping the future.

## CORRECTIVE POLICIES

The characteristics and current problems of the world economy and its spearhead, global capitalism, lead to three different attitudes.

A first attitude is to accept the economic system, as is, with all its characteristics and to see it as a phase in human history, brought by forces which are beyond one's control. It is then seen as positive for humanity, with its virtues of openness, competition, technological innovations, economic and social darwinism. The survival of the strongest is perceived as a law of nature. Safety-nets of all types exist for those, individuals and nations, who are left behind as they cannot adjust, adapt and learn the exigencies of the global market. Besides, goes this line of reasoning, whether one consider the above characteristics as virtues or defects is irrelevant: globalisation is not a phenomenon amenable to a moral or political assessment; it is a demiurgic force, the modern expression of the genius of Homo Economicus, and it should not and cannot be put in a straightjacket. Though formulated only by a small minority, this form of historical determinism and Nietzchean voluntarism, is not exceptional. It pervades the spirit of the time. It feeds on the common feeling that scientific and technological developments, embodied now in powerful firms and companies, represent progress and are not amenable, in any case, to control.

A second attitude is to recognize that global capitalism has indeed problems, but that time and more of the basic policies of adjustment and liberalisation of trade, investment and finance, will be the best and only possible healers. There is persistence of poverty; there are individuals, groups and nations which are being marginalized; but these problems will be cured if all obstacles to the free interplay of market forces are removed. This is faith in Man's capacity to create, innovate and adjust, and faith in a future shaped by the virtues of freedom and competition. It rejects the assertion of an increased concentration of economic power in the world. To the contrary, it sees globalisation as the only path to democracy and better levels of living for all. It feeds on the collapse of the Soviet Union and on the discredit in which the doctrines of Communism and Socialism appear to have fallen. It saw the end of the cold war as a triumph of capitalism. It created an ethos of liberalisation and privatisation in which the State is seen as an institution which has to be curtailed, for its role is only to ensure that the forces of the market can operate freely. This second attitude is the most publicized, the most vocal and the most clearly suited to the perceived interests of the main actors on the world economic scene.

With all possible nuances and overlaps, there is a third attitude based on the conviction that the world economy needs to be democratized through deliberate and purposeful strategies and policies. Current problems of lack of economic growth, of poverty, inequalities, marginalization of people and nations, and concentration of economic power, are attributed mainly to the present form of global capitalism, with its excesses and aggressive ideological militancy it has taken since the beginning of the 1980s. Or, at least, there is the strong suspicion that more of the same type of globalisation, liberalisation and privatisation will lead to more and more inequity and inequality. There are a number of arguments in favour of this third attitude.

If one accepts equity, equality, social and economic justice, and participation in economic power, as positive values and valid objectives, there is no alternative but a determined drive to achieve such goals. There is no example in human history of a laissez faire attitude and philosophy bringing more equality and more fraternity. All social conquests of humanity, be it the abolition of slavery, the prohibition of child work and of various forms of exploitation of human beings by others, or the promotion of worker's rights, have been made against the "normal" current.

When advocated as a moral and political philosophy for life and society, laissez faire is simply a theory to secure the positions of the mighty and powerful. With more technical overtones, the same applies to the sweeping use of liberalisation, deregulation and privatisation.

There is also a frequent confusion between laissez faire, global market and market economy. A well functioning market economy is not only an economy of consumers, but also of producers being given an opportunity and fair chance to make their contribution, in a large variety of ways, to growth and the welfare of society. Such a market economy is the most democratic form of social organization. But, for all sorts of reasons, including the propensity to acquire as much wealth and power as possible, this democratic nature of the market economy has to be constantly protected, restored and promoted through public laws, regulations, incentives and orientations. The well-known challenge for the state, and for society at large, is to keep as good a balance as possible between such regulations and freedom of initiative and enterprise. At this point of time, the "global market" is far from being a universal well functioning market economy. Rather, it is an expanding universe of present and potential consumers for products made by giant companies. As to "laissez faire", it is the ideological icing on the cake.

The role of the market, as seen by the Social Summit

*"We will (...) promote dynamic, open, free markets while recognizing the need to intervene in markets, to the extent necessary, to prevent or counteract market failure, promote stability and long term investment, ensure fair competition and ethical conduct, and harmonize economic and social development (...)." - Declaration, Commitment 1.*

*"We will (...) promote and implement policies to make a supportive external economic environment through, inter alia (...) more equitable access of developing countries to global markets, productive investments and technologies, and appropriate knowledge (...)." - Declaration, Commitment 1.*

*"We will (...) monitor the impact of trade liberalization on the progress made in developing countries to meet basic human needs, giving particular attention to new initiatives to expand their access to international markets." - Declaration, Commitment 9.*

*"Economic activities, through which individuals express their initiative and creativity and which enhance the wealth of communities, are a fundamental basis for social progress. But social progress will not be realized simply through the free interaction of market forces. Public policies are necessary to correct market failures, to complement market mechanisms, to maintain social stability and to create a national and international environment that promotes sustainable growth on a global scale." - Programme of Action, Chapter 1, para. 5.*

*"Making economic growth and the interaction of market forces more conducive to social development requires (...) implementing measures to open market opportunities for all (...), improving, broadening and regulating, to the extent necessary, the functioning of markets (...), complementing market mechanisms and mitigating any negative impacts forces by market forces (...), establishing an open market policy that reduces barriers to entry, promotes transparency of markets through better access to information (...). - Programme of Action, Chapter 1, para. 12.*

## DEMOCRATIZE AND ENRICH THE PROCESS OF GLOBALISATION

A democratized world economy with as equal as possible a distribution of opportunities, income and power among people and nations, would greatly contribute to social progress. It would provide the economic base without which well-being is impossible. A process of globalisation not reduced to its economic dimension would prevent the emergence of a market society.

### *Develop the Understanding of the Globalization Process*

There is no possible democracy, within a nation and within the world community, without knowledge and understanding of the forces that shape the world economy and give content and direction to the globalisation process. This process needs to be analyzed and understood, including in its financial aspects. Globalisation is not moved by an invisible and benevolent hand. It has many facets, forces, counterforces and contradictions. It is the constantly changing product of the confusing interplay of a large number of forces and actors, not all operating in the economic realm. There are tensions, and fragile balances, and numerous processes and projects. Understanding this complex reality is a pre-condition for a democratic economy and for economic integration making a contribution to the common good.

There will never be too much research work and too many debates on the world economy and social progress. Knowledge on the functioning of societies ought to be developed in universities as well as in private and public, national, regional and international institutions. Debates should involve a large variety of fora, from local initiatives to the United Nations. In the publications from the academic world, in the media and in the political discourse, the quality of the language used to address questions of development and progress is of extreme importance. When social regression appears, it should be analyzed and denounced in a clear manner.

### *Improve the Measurement of Wealth and Social Progress*

The coverage and quality of statistics reflect the capacity to overcome technical difficulties in their collection and treatment, and, also the cultural and political perception of what ought to be measured. When a strong priority, for example the protection of the environment, is established by a community and its public institutions, statistics follow.

Statistics and indicators on matters of social progress suffer from several shortcomings, at the national, regional or international levels. They are more focused on achievements than on problems. For instance there is much data on infant mortality, which at least until recently was being reduced everywhere, and very few on the spreading of old or new diseases. Data is concentrated on various aspects of the welfare of the individual and very little on society and its functioning. Statistics on life expectancy, litaracy, square meters of housing, and other aspects of levels and quality of living, are not matched by equally important indicators on the weakening of the social fabric. Statistics on divorce rates and number of violent crimes are hardly sufficient to express the problems of a society. Indicators are lacking on issues which have recently come to the surface as threats to social progress and undesirable consequences of economic and technological change. There are monographs but

very few usable data on, for example, the destruction of ways of life and languages of a large number of societies, or on the alienation generated by the lack of social links that affect many individuals living in large cities. Lastly, a well known shortcoming of data and indicators is that they reflect the diversity of living conditions in the world only through variations on the scale of a set of a few commonly accepted parameters. The measurement of variations and gaps, for instance on income per capita or on child malnutrition, is already very useful and true progress is achieved when new data and new composite indices are developed to facilitate comparisons within a larger array of facets of the human condition. This is very much the case with the human development indicators and index published by the UNDP in the annual Human Development Report. It remains true, however, that the rich diversity of social and economic and cultural conditions and problems in the world cannot be adequately captured by these "standardized " statistics.

Better, more complete and culturally more diversified data and indicators on social progress are needed, as one of the conditions to enhance discussions and negotiations on development. Also, societies accumulate and deplete their "stock of social capital", including trust and civility, and the "fuel" that make their major institutions, notably the state and the market, function properly, in ways which are little understood. More conceptual and statistical work on the notions of wealth, social capital, social exclusion and social alienation, is of particular importance. And, obviously, more and better data on international financial flows and transactions would greatly contribute to enrichment of the very necessary debate on globalisation.

### *Reduce the Urgency and Speed of Economic Integration*

Part of the malaise which permeates the world, and notably the feeling of impotence that many governments have, is due to the speed and apparently blind force of the process of economic integration and globalisation. There is a seeming no-alternative syndrome. Issues are presented and lived as trends. Decisions become the result of constraints. Precautions, objections and possibilities for autonomous actions appear to be swept away. Powerful governments and institutions are somehow perceived as the instruments of a force of destiny. They are setting deadlines and calendars, and establishing demanding agendas which most other actors have to follow. The alternative to integration, as it now goes, is marginalization.

Should there be a pause to reflect? A pause to build democratic rules of the game and institutions whose raison d'être and survival will not be dependent on a particular vision of the world economy and its future? Why not give to the concept of "transition " a richer and more universally applicable meaning than it has now? If no country or region can afford to refuse participation in the common venture, there is at least a recognized need for selective linking processes, according to national circumstances and cultures. This would seem impossible without some slowing down of the movement towards an integrated world economy. The timing of the process of globalisation requires more thinking and more democratic decision-making. A flood carries away too many victims to be desirable, even if it fertilizes the land. A controlled river, with many irrigation networks, is preferable.

### *Revive the Search for Social Justice and Equality*

The rise of global capitalism has been paralleled by a neglect of traditional values of equity, social justice and equality. Since the beginning of the 1980s, these values have been

poorly reflected in the spirit of the time and have had a low ranking on the political agenda of most countries. As noted above, there is much evidence of increased inequalities, particularly in the economically developed countries. The struggle for equality between women and men - in rights and opportunities - is not a substitute for a reduction of income inequalities between groups and social classes. Conditions have changed, a large middle-class has emerged in many societies, and many goods and amenities are accessible to a larger number of people. Yet, the quest for more equality in the distribution of income begs to be resumed for philosophical and political reasons. Philosophically, the concept of a common humanity implies that all individuals are given equal opportunities to exert their rights and responsibilities and to realize their full human potential. From this perspective, reduction of poverty and reduction of inequalities have the same importance. Politically, no society, short of becoming totalitarian, can survive when some of its members are treated as discardable commodities and as a dangerous group for whom more and more jails should be built. The increasing marginalization of people and the increasing social dualism in many societies - and to some extent of the world - are morally indefencible and are threatening not only political stability but the essence of modern civilisation.

**Some quotes, from the debate at Havreholm**

*. In debating world problems, it is necessary to go beyond mere statements of unfairness and exposé of problems.*
*· The world must look beyond laissez faire and beyond balance of power politics; it must also look at the finance-media complex.*
*. Laissez-faire is always the theory of the mighty and powerful.*
*. There is a South in the North and a North in the South.*
*. Major countries do not take the North -South dialogue seriously, partly by ignorance, partly by neglect.*
*· Market forces will not solve the problem of poverty; they can only reinforce existing trends; policies and strategies are necessary to break vicious cycles and create virtuous cycles.*
*· Globalization is a cultural phenomenon and homogenization creates great risks of conflicts.*
*· Open market does not mean unbridled capitalism and self-interest does not imply doing harm to the well being of others.*
*· The world would not survive global capitalism; it needs a global social market system.*
*· Economic justice is fairness in economic relations, fair competition and fair rules of the game.*
*· Globalisation is not "just happening" nor is it moved by an invisible hand: it is being made to happen by men and women of power with a lot of vested interest to protect and a lot of money at their command.*
*. Globalisation should not be put in a cage*
*· Are there limits to the globalisation process? - How far will it go?*
*· Intellectually, spiritually, the great movers of the globalisation process are unaware of what they are doing.*

### *Open Market Opportunities and Restore Growth*

Economic justice, that is the possibility for as many people as possible to contribute meaningfully to economic activity, either in an autonomous manner or in a personally and socially rewarding position, ought to be a priority for all governments and other public and private institutions. The prerequisite to reducing unemployment is to make it an absolute priority. Such is not the case now, neither for most governments nor for the most powerful regional and international organisations. Also, the decline everywhere of independent professions, whether in farming, craft, services and various types of retail and trade, is not a fatality. In most societies economic and political choices have systematically favoured a concentration of economic power. Technological change and increases in productivity should not lead to the disappearance of small enterprises. New professions, or the revival of old trades, are appearing everyday. In most countries, it is still possible to remove a lot of obstacles to work and market opportunities.

Economic growth, in tems of the augmentation of goods and service, at the disposal of a community, is the expression of human activity in a society whose members are linked by a variety of economic ties. It reflects, in quantitative and monetary terms, a fundamental aspect of the human condition. Thus the GNP is both an economic measure and an indicator of the health of a society. Hopefully, additional and less "value-neutral " measures will be developed and used. Yet, at this point, economic growth as traditionally measured is an absolute necessity for the world. It is one of the prerequisites for reducing poverty and inequalities.

As any issue of a societal nature, a revival of economic growth, where it has floundered or never taken place, is a major political project with ramifications, constraints and trade-offs. It involves many actors and, today, various forms of regional and international cooperation. Economists have and will continue to search for the determinants of growth, for its optimum rate and composition, for the obstacles it must overcome. National governments, however, even in a context of globalisation, are in a position to take decisions on priorities and on the elements that constitute the features of an economic, fiscal, financial and social policy. Lately, in the leading countries, economic growth has been sort of subordinated to financial stability. A renewed emphasis on economic growth would seem to be in the best interest of the world community.

### *Tame Competition*

Competition is a very prominent concept in the modern culture. To be "competitive " is a stated strategy and rationale for action, not only for businesses but also for nations. Critical domains of domestic and foreign policy appear to be shaped by the need for "competitiveness on the world market". Often presented as a healthy and peaceful alternative for military confrontation, economic competition is indeed definitely less dangerous for neighbours than sheer military nationalism and expansionism.

Competition is a value in some societies, less in others. Whether or not it is a feature of human nature, an harmonious world community assumes civilized competition. Competition implies rules, whether in personal life, in sports or in the economic realm. Unless competition degenerates into warfare, winning excludes the death or destruction of the loser. Winning, also implies the possibility of losing.

Competition should be a means, never an end. A means for the athlete, to push his or her limits, in endurance, skill or talent; means for a company to improve the quality of its products or services, of its productivity and efficiency; means for a nation-state, to foster the

quality of life of its citizens and to become a responsible member of the international community.

The pervasive presence of competition would be more positive for society if more diversified in its objectives. One could imagine not only competition for markets, power and "survival" - a much abused word in situations which have no bearing on life and death - but also for excellence, creativity, solidarity, and generosity.

Of much importance are the terms of the economic competition. As the principle of comparative advantage is becoming less and less relevant, and as competition does indeed generate loosers, firms try to compete with wages and costs. This has strong negative effects on employment, including through mergers and concentration of economic and financial assets presented as required by competition. This approach is self-limiting for the companies and sectors concerned, and has also strong adverse effects on the collectivity. "Safety-nets" are not only costly but disruptive of the social fabric when they involve more than a small minority of the population. An alternative to competition through wages and costs, is competition through value-added. The development of this alternative would require elaborate policies and strategies from the companies themselves and from public authorities. A change in the terms of economic competition might become a major project of the international community, involving the private sector, governments and regional and international organisations.

*Control and Orient Financial Transactions*

In addition to a loosened link between the growth of output and the creation of working opportunities, one of the major characteristics of the world economy created during the last quarter of this century is divorce between the real economy - the production, exchange and consumption of goods and services - and the formidable and uncontrolled expansion of the financial speculative sphere. Financial flows in the world are constituted mostly by short-term capital movements, sensitive to exchange rates and interest rates, in search of capital gains. Depending on political orientation, this is called "financial liberalisation" or "casino economics". Since, for many, economics is another name for politics there is a great temptation for ordinary citizens to consider that the world is presently organized to favour capital and to allow a great accumulation of income and wealth into a few non-productive hands.

In 1972, the economist James Tobin proposed a levy on international currency transactions in order to discourage short term speculation and introduce some stability on financial markets. The "Tobin Tax" would be on spot transactions in international currency markets. It would to some extent, lessen the problem created by floating exchange rates. Then the idea came that the revenue from such tax could be used for development projects. Calculations presented in the 1994 issue of the Human Development Report produced by the UNDP suggest that a 0.01 per cent levy could yield revenues of approximately 150 billion United States dollars a year.

This proposal has been discussed in various fora, in which different ideas on the collection, administration and use of the proceeds of the tax have been elaborated. One view was that individual governments would collect and control the proceeds. Another suggestion was that the tax should be administered by representatives of both the OECD countries and the Group of 77, which has currently 132 members from the developing world. A few governments specifically endorsed the principle of the Tobin Tax at the World Summit for Social Development. The text adopted in Copenhagen, however, only refers to the mobilization of "new and additional financial resources" and to the consideration of "new and

innovative ideas for generating funds " for social development. It would seem important, for moral, economic and financial reasons to revive the idea of a tax on international currency transactions, to link its use to problems and projects reflecting a shared perception of the common good, and to base its management on a partnership between nations at different levels of economic development.

New sources of financing, notably through an agreed version of a Tobin Tax, should, however, not be considered as alternatives to the provision of Official Development Assistance by rich to poor countries. ODA represents a most important expression of solidarity, and the needs for resources to finance specific and global problems of development and social progress are of such magnitude that all possibilities and channels should be tapped.

More democratic control of financial resources in the world is desirable. A case in point is the management of pension funds. Control of these funds is a critical issue in light of the magnitude of the capital involved and the levels of savings required to sustain economic growth. Money in pension funds should belong to workers, to those who contribute and have contributed to them, and not to the companies or institutions in which they are located. More generally, the management of funds is better when discussed with share-holders. There is much evidence that co-management improves rates of return.

There is also need to explore ways beyond traditional public funding, to broaden responsibilities for public and private investment, and to make links between the public and private initiatives. As transactions and problems become more international, the question of taxation will become increasingly difficult. Beyond the Tobin Tax, it would be useful to enter into a phase of negotiated growth among the various partners, to open new areas, new avenues for shaping the future global society, and to base this construct on a strategy reflecting democratic values. The dominating role of the media-finance complex has to be replaced by open and transparent governance of the process of globalisation. The United Nations, the Bretton-Woods institutions, regional organisations and national parliaments have a critical role to play in this regard.

### *Develop Fair Rules of the Game on the International Scene*

Rules, norms, procedures and institutions are required, at the international level, to debate, manage and orient towards the common good the process of economic integration and globalization. Market forces will not solve the problems of poverty, inequalities and disintegration of societies. Deliberate rules, policies and strategies are needed to break vicious cycles and create virtuous cycles.

Existing rules and institutional arrangements are widely viewed as reflecting the interests of the most powerful countries and other major actors and as biased in their favour. In spite of the increasing role of transnational corporations and international banks or other financial intermediaries, only national authorities have the legal power, including through regional and international agreements, to set rules of the game for trade, investment and finance. They do so, however, in close symbiosis with international capital. The multilateral regimes for trade in services and for trade-related investment rules and property rights are being elaborated, quite logically, in collaboration with transnational corporations. From the viewpoint of weaker partners, notably the developing countries, these regimes are seen as asymmetrical, as they promote a liberalisation of trade and capital flows while remaining restrictive for technology and labour. Also, there are strict rules and conditionalities for borrowers of the developing world in the IMF and the World Bank. Very different rules apply to "surplus or deficit countries " in the industrialized world. From a method to ensure repayment of loans, conditionality for developing countries has evolved into a set of rigid and

far reaching policy orientations and "reforms". Expressing the neo-liberal philosophy, these tend to systematically reduce the role of the State and therefore to increase the role of the "free market", which means the main actors on the world economic and financial scene.

If the world economy is to be more democratic in its management and the distribution of its fruits, new arrangements have to be made at the international level to ensure the effective participation of all countries. Partnership implies equality and a sense of ownership of processes and institutions. At this point, the United Nations,which is universal in its membership, principles and objectives, has not been in a position to be a counterweight and a real force in the process of globalisation. New arrangements would imply the strengthening of this institution. There is need for multilateral processes to give a voice to all countries and all partners in order to reach a full and shared understanding of global issues. This requires a strengthening of the negotiating capacity of developing countries. There is also a need for stronger and more effective pressure in favour of the poor and the weakest, people and countries. The United Nations world conferences have played a role in this regard, but their political weight is by itself limited and has to be amplified by a multitude of initiatives from all concerned actors.

The "rules of the game" to achieve and maintain a sustainable environment are relatively clear, if difficult to enforce. A more democratic world economy and order could first be built on objectives of sustainable development and then directed to economic growth, its composition and the distribution of its benefits. There would be concentric circles of negotiations and agreements. The rules for sustainable justice, in its economic, social and political components, are less well understood and more difficult to build and implement. To be fair and equitable, these rules ought to give preference to the weak partners as well as those who are not part of the game. While complex, economic relationships between people have always two elements: common interests and differences. Adversarial discussions and processes are therefore unavoidable. Everything should be done, however, to prevent such processes from turning into conflicts. To do so, it is critical to understand and even value differences, to agree on facts, to avoid any casting of blame, and to build themes which are unifying. Trust is a basic ingredient for the development of democratic rules of the game. Also, of importance at the national and international level, is to realize the significance of negotiations, Partners have to be convinced that negotiations offer opportunities to learn and to be enriched. Antinomic to this attitude, is a narrow and impatient conception of efficiency and self-interest.

## DEVELOP A CULTURE OF SOLIDARITY

Solidarity is a universal concept and should become a universal value. A bond between people and, quite clearly, a "natural" type of behaviour among many animal species, solidarity is a concept rooted in the notion of community, whose members share interests, duties, responsibilities and aspirations. First limited to the family, the group, the village, then the nation, solidarity is gradually expanding to humanity as a whole.

### *Solidarity, Protection and Cohesion*

Solidarity connotes protection and security. A family, a village, a tribe, a nation requires the solidarity of its members to survive, to ensure its safety from outside predators, to secure its welfare. This implies forms of organisation, an allocation of responsibility and a system of rewards and sanctions. Security of the individual and loyalty of this individual to the group are the two faces of the same social bond. In that elementary sense, solidarity is the most fundamental social value and there is no society without solidarity.

Solidarity connotes the cohesion of a group of people sharing common conditions and interests and cooperating to improve their position in society. The sought after improvement may be higher income, a greater degree of equity and equality, higher social status, improved access to power, or simply increased capacity to satisfy the basic need for survival. It may imply a struggle and a confrontation with the established powers. It requires equality among the members of the group and the mobilisation of all energies towards a clear objective. Individual members subordinate their private interest or preferences to the collective goal. This active form of solidarity has been the vehicle for much progress in the human condition and for all movements towards more equality and equity and more social justice. In all societies based on growth and changes, rather than stability, militant solidarity has made possible the protection of basic human rights and of workers' rights, the building of political democracy, as well as the recognition of women's rights. Militant solidarity has also given strength to movements for national liberation, for the rights of minorities and against racial discrimination. The former colonies, or the nations of Eastern and Central Europe, would not have gained their freedom from oppression without solidarity within these societies.

Solidarity within regions has taken a concrete and powerful form during the last part of this century. Regional integration schemes stem from a perception of common interests and economic gains to be made through cooperation and political union, from a conviction that economic and political survival depends on joining forces, and also from the desire to render impossible the resurgence of past conflicts. At least in principle and in legal terms, regional solidarity is based on equality among partners. To a limited but real extent, the sovereign states members of a regional union subordinate their national interests to the regional good. Trade has been and remains the driving force for regional solidarity and cooperation. In 1995, there were 62 regional trading arrangements, 40 having been set up in the 1990s and 11 in the 1980s; some of these were bilateral free trade agreements between minor trading nations, while others, notably the European Union and the North American Free Trade Agreement, account for preponderant shares of world trade. As the social and societal content of regional arrangements and unions increases, the value of regional solidarity should acquire a richer meaning. Now, in the European Union, the redistribution of income in favour of the poorest regions through subsidies and investments is not presented as an

expression of solidarity. There seems to be no need for such justification, perhaps because of the relative homogeneity of the region, perhaps also because there is little public knowledge and awareness of this redistributive policy.

***Solidarity between Generations***

With a varying intensity, all societies have expressions of solidarity with past generations. There are different forms of respect for the dead and different ways of preserving the accomplishments of previous periods. The interest in history is not only curiosity or nostalgia, but also the affirmation of a continuity in the human adventure. Solidarity with future generations is an emerging value, or, rather, a value which has reappeared in cultures dominated by short-term economic gains and policies. In other less materialistic and less impatient cultures, the transmission to the young generations of both social mores and a hospitable physical milieu has remained a central preoccupation. The damages inflicted on the environment by the industrial revolution and over exploitation of the earth's natural resources, and the historically recent awareness of this threat to the welfare and future of humanity, have prompted renewed interest in solidarity with future generations. This is a value and a policy orientation relevant both for nations and the world community as a whole. It has implications not only for the continuing capacity of economies to generate wealth and income, but also for maintenance of the "social capital" of societies, for transmission of values, and for education and welfare institutions and policies. The proposal made in the United Nations to include in every important negotiation and debate a person appointed to represent the interests of future generations, should be given serious consideration.

***Solidarity through Taxation and Redistribution***

Most governments try to achieve some form of social justice through solidarity, making a value accepted as an end in itself, and as a means for social cohesiveness. Solidarity among groups and social classes with different levels of wealth and income, is expressed in the payment of taxes, which is the main instrument for redistributing income from the affluent to those in need. The levy of taxes, by the Prince, the Emperor, the King or more frequently now the elected representatives of the people, has traditionally been a major attribute of the state power, together with the administration of justice and the conduct of war. The payment of taxes has been, in different cultures and political systems, a reason for revolt as well as a manifestation of civic virtue and a guarantee of respectability. Not long ago, the right to vote and to be elected was given only to those who were taxable. After World War II, a large number of democracies built their welfare, social security and education systems on progressive taxes and redistribution policies. For newly independent countries, as well as for countries having transformed radically their political and economic foundations, the organisation of a fair and efficient tax collection, remains a first priority. Yet, by the mid 1970s, under the influence of the neo-liberal political philosophy, it has become respectable for politicians to denounce taxation as a symbol of government waste and interference with the free interplay of market forces. There is an obvious correlation between this intellectual and political trend and the aggravation of inequalities throughout the world.

In major cities of China, for example, the concept of solidarity is used to provide a framework for the correction, through fiscal policies, of existing inequalities and forms of poverty caused by market induced economic growth. Redistribution of income is achieved through taxation, maintenance of minimum living standards and provision of subsidies in kind. Recently, particularly in Europe, some taxes have been officially called "solidarity taxes", when they are directed to alleviating unemployment, or poverty in general. In such cases, solidarity, while good and necessary, implies inequality in the situation of different groups and individuals and implies also that economic and social justice has failed. Then solidarity is very close to public charity. The concept of "safety nets", to catch those who are left behind by the working of the economic system, also implies an ideological and political acceptance of inequalities. Hence the affirmation that there is need for both social and economic justice and for solidarity.

***The Social Summit on Taxation:***

*We will,*

*"Ensure that, in accordance with national priorities and policies, taxation systems are fair, progressive and economically efficient, cognizant of sustainable development concerns, and ensure effective collection of tax liabilities. "*

*Declaration, Commitment 9, para. e*

*"Ensure that fiscal systems and other public policies are geared towards poverty eradication and that they do not generate socially divisive disparities ";*

*"Ensure that fiscal and monetary policies promote savings and long-term investment in productive activities ";*

*"Consider measures to address inequities arising from accumulation of wealth through inter-alia the use of appropriate taxation at the national level, and to reduce inefficiencies and improve stability in financial markets in accordance with national priorities and policies ";*

*"Promote international agreements that address effectively issues of double taxation as well as cross-border tax evasion (...) while improving the efficiency and fairness of tax collection ";*

*"Assist developing countries, upon their request, to establish efficient and fair tax systems by strengthening the administrative capacity for tax assessment and collection and tax evader prosecution, and to support a more progressive tax system ";*

*"Assist countries with economies in transition to establish fair and effective systems of taxation on a solid legal basis, contributing to the socio-economic reforms under way in those countries. "*

*Programme of Action, Chapter 1, para. 13*

***Solidarity and Charity***

Charity has been much devalued in the modern psyche. In the Western culture, and in relation with the secularisation of society, social justice, equality, and equity have been pursued and lived as substitutes to charity. In this perspective, measures, policies and attitudes promoting social justice are based on respect for the dignity of the individual and express a democratic political philosophy. Charity, on the other hand, provides satisfaction to the giver, alleviates, temporarily, the plight of the receiver, but creates dependency, expects gratitude and contributes to maintenance of the status-quo in social and political terms. In fact, solidarity is criticized for its similarity to charity and for provoking dependency and forced gratitude.

Yet, charity should be, and often is, a disposition of the heart and mind, a capacity to love the other, rather than a political statement of superiority and an alibi for the perpetuation of inequalities. Charity is a virtue, not a policy. An act of love, not the fulfilment of a duty. In that sense charity provides a moral foundation for the search for justice, and for solidarity. Besides, even the best organized, most efficient, just, and equitable communities cannot avoid slippages, failures, individual tragedies and situations of vulnerability requiring attention and generosity. There is even ample evidence, in conceptual and concrete terms, that such situations are handled best when the laws, regulations and policies called for equitable solutions, are founded on the basic values, including charity, enabling people to live together in harmony.

### *Solidarity and Fraternity*

Fraternity, the third rallying goal of the French Revolution, in addition to liberty and equality, has practically disappeared from the public discourse. The Oxford Dictionary of Philosophy describes it as "the missing and forgotten aspiration". It suffered from the over-consumption and misuse of ideals and utopias that occurred during this century and lead many to destruction. It was, always, difficult to reconcile fraternity with liberty. Particularly difficult was the compatibility of this concept with the Western conception of freedom of the individual that includes self-gratification and the satisfaction of appetites, wants, and needs. Fraternity was also set aside by the social sciences. It was not a category that a narrowly utilitarian and quantitatively consumed perception of economics could accept. And the sociological discourse, based on the same paradigms as the economic discourse, preferred more "technical" concepts such as "social cohesion" and "social integration". Lastly the American language did not do much to promote "fraternity" when it gave to it the precise meaning of "an association of male students". Now that philosophy, as a discipline and as a dimension of the public discourse, is regaining favour and now that many societies have been shaken by disintegrating forces, the concept of fraternity might be reopened. The emphasis on solidarity is a step in this direction.

### *The Appeal of Solidarity*

In addition to a sense of security and unity in goal achievement, solidarity also connotes the pleasure of sharing, the satisfaction of being human among other humans. It is a value with a strong emotional content. It has a mobilizing power, including through compassion and the capacity to imagine the other as a brother or sister, in happiness or in sorrow. Solidarity that extends beyond immediate familiar groups, and beyond protection of self-interest, requires imagination, empathy and recognition of a common humanity. This suggests that the need to experience solidarity might be an intrinsic part of human nature, and a constitutive element of humanity. In this context, solidarity becomes a synonym of love, or at least an expression of love. It becomes a value evoking fraternity and charity, and an aspiration which could be more important than maximum self-realization. Or, still better, the understanding that self-realization and happiness is not separable from the welfare of others and the harmony of society.

Solidarity, with its simplicity and its rational and emotional content, has a strong appeal for young people. The generosity, enthusiasm and desire for concrete action that exist in youth can be applied to tasks, projects and causes expressing solidarity with other individuals, groups, nations and regions. For example, at this point of history, when a number of anthropomorphic excesses are being denounced and corrected, solidarity, or empathy, with other species, with the environment and nature, has an equal attractiveness to those willing to give their time and energy to a cause.

Solidarity is amenable to political leadership, to political will to go beyond the limits of what would be acceptable for a conservative management of public affairs. This finds expression through the artful use of language to remove constraints perceived as unsurmountable, to turn dreams and aspirations into actions and policies. Discontinuities, and therefore openings for social progress, appear not only when trends and aspects of the human condition clash and conflict, but also when the politician develops the language that the citizens can understand and adopt. Recent examples include the "Civil Rights Movement" in the United States, the "Common Market" for Europe and now the "Global Village".

Like most values, solidarity can be misused and turned into an instrument for the pursuit of dangerous, illegal, or morally wrong objectives. There is a strong solidarity between the members of a gang and in the world of organized crime. Dictators and tyrants impose solidarity in a party or nation. The counter values to solidarity are fatalism, cynicism, egoism and exploitation of the other.

***International Solidarity***

At the international level, the concept of solidarity has recently gained some prominence in debates and decisions on development, social progress and the "North-South" relationships.

In its most widely known and most commonly accepted meaning, solidarity expresses itself through gifts in money and in kind in cases of natural or others disasters affecting cities, communities or countries. Beneficiaries are often from poor regions, but also from affluent communities when the magnitude of the catastrophe requires immediate relief beyond the capacity of the responsible government. Not uncommonly a "gesture of solidarity" or a "movement of solidarity" is related to the nature and seriousness of the disaster, and not to the assessed needs of the people concerned. This solidarity takes place through the United Nations and through various organisations of the international community. To a large extent humanitarian aid and humanitarian assistance express this type of solidarity.

One view is that, on the international scene, the concept of solidarity should be used only for this sort of occasional and specific assistance to people or countries in distress. Beyond this, international cooperation for development should be based on mutuality of interest, partnership, and fairness in the elaboration of the "rules of the game" for trade, investment and other types of exchange.

A historical argument in favour of this view is that the word "solidarity" has reappeared in the international debates after the defeat of the call for a new international economic order that meant redistribution of economic power among nations through deliberate policies under the aegis of the United Nations. From the beginning of the 1980s, the accepted language in international circles on North-South matters has been "mutuality of interests", "self-help", "indigenous capacity" and then, increasingly, "integration into the world economy", "economic reform and structural adjustment", "globalisation and the global market", "eradication of poverty" and "solidarity". It is as if solidarity had become part of a discourse which is progressive in terms of aiming to spreading material comfort to all and conserv ve in terms of the distribution of economic and political power among people and nations.

And also, why solidarity and not interdependence? In what way is solidarity a better concept than true partnership? What about the ambivalent relationship between solidarity and old and new forms of conditionality?

Above all, is the currently ambiguous dialectic between solidarity and fairness. If the rules of the game - for the three pillars of global capitalism, trade, investment and financial flows, and for labour movements - were fair to all, and particularly to the weakest countries and partners, there would be much less need for solidarity to alleviate poverty and the economic and social consequences of "integration", "reform" and "adjustment". To give technical assistance to the farmers of the South to develop their cash crops, while refusing to let their products enter the markets of the North, is neither economically sound - at least from the viewpoint of the free trade paradigm - nor propitious to fair and respectful international cooperation. There are many such instances which either reflect the interests of the most powerful countries, or, illustrate the difficulty of international organisations and

countries to elaborate and implement coherent policies. In all such cases, however, solidarity takes the colour of the charitable act which satisfies the donor and maintains the status quo for the receiver. It is not an approach on which long lasting and effective relationship between partners in economic cooperation can be built. Solidarity, as a substitute for fairness and equality, is unacceptable. From a revolutionary standpoint, it should even be systematically rejected by beneficiaries, because it weakens the capacity for revolt and change.

Another view of the use of the concept and value of solidarity at the international level is that, indeed, it cannot be a substitute for the struggle for fair economic arrangements and for economic justice: there is room for both. As in relations between social groups and classes in a national setting, even the best and most equitable world economic order would not eliminate situations requiring the expression of solidarity. Moreover, while it is correct to state that there is a contradiction between economic justice and solidarity - because solidarity implies inequalities, implies partners with special needs and partners with a financial capacity - it should also be realized that it can be a useful contradiction. To keep a tension between two poles of international cooperation for development enables the partners to find room for manouvre, negotiation and progress. Of course, this is possible only if a clear distinction is kept between these two modes of cooperation. Solidarity includes Official Development Assistance, but also a number of other measures such as debt reduction or the financing of specific projects through soft loans. Solidarity should not be a response to begging, nor a unique rationale for all forms of bilateral and multilateral economic cooperation.

### *A Founding Value*

Can solidarity have an instrumental and circumscribed role and be, at the same time, a founding value for national cohesion and international cooperation? Can it be, depending on the circumstances and the level of analysis, an instrument and an ideal? Even if economic justice and fairness should come first in the political and negotiating agenda, notably in the major international organisations dealing with trade, investment and finance, could it be argued that it is necessary, to base the call for fairness on some fundamental values, including solidarity?

Apart from solidarity between unequal partners, which is related to the North-South dichotomy, there are also other types of solidarity, for instance between like-minded governments and between countries sharing specific economic characteristics, which are of extreme importance in the construction of a fair world economy. The creation of the Group of 77 developing nations in the context of the United Nations was based on this idea. In the same perspective, solidarity between like-minded governments and peoples would be the first step towards challenging a world order dominated by corporate interests.

For solidarity to contribute to social progress, it would be useful to emphasize that economic development does not necessarily mean uniformity of life-styles; that consumerism does not equate progress; and that abundance must be shared now in order to avoid sharing poverty tomorrow.

Solidarity, at any level, results from free choices and decisions. It has a voluntary character. A forced solidarity, without the conscious adhesion of its proponents, amounts to manipulation or despotism. Yet, on the basis of democratic debates, values are expressed in policies, laws and regulations, and acquire a compulsory dimension, be it an international treaty for the protection of the environment, or a national taxation system.

Thus, solidarity, while being a value in itself because no human being can live in isolation, has to be always assessed in relation to its raison d'être and objectives. Perhaps

even more decisively, and with less possible ambiguities, the value of solidarity ought to be assessed against the attitude and behaviour of those who are, individually and collectively, partners in solidarity. Willingness to exchange, humility to accept criticism, ability for self evaluation, interest in the views and cultures of others, are, in addition to the capacity to give, necessary ingredients for a true culture of solidarity. It is because of these basic moral norms, valid for individuals as well as for institutions, that there is a continuum between various forms and expressions of solidarity. For example, there is a clear correlation between the willingness and capacity of a country to build solidarity among its citizens, and the interest of the same country to show solidarity at the international level. Ultimately the one - individual, group or nation - who gives, for whom solidarity has in traditional terms, a cost, is made richer - morally, intellectually and spiritually - by the very act of giving.

**Some more quotes, from the debate at Havreholm**

. *Political leadership is not separable from teaching.*
. *Solidarity expresses a new type of relationships between and within nations.*
. *Long lasting and efficient relationship cannot be based on solidarity alone.*
. *There is no forum to discuss issues of values and norms.*
. *Issues which are normally best left untouched are becoming explosive and have to be handled with cultural competence*
. *The "delinking" of an economy is now excluded, but selective linking processes are possible, according to needs and cultures.*
. *The private sector will be, out of self interest, the primary force for the common good.*
. *The role of the public intellectual is to find a successor ethos to global capitalism.*
. *Objective criteria are needed for promoting and assessing good governance.*
. *The world needs a dense network of negotiating processes and needs to safeguard the clarity of its language.*
. *At this point, there is no political and moral leadership to manage the process of globalization.*
. *The development of Africa is the litmus test of the quality of the globalisation process.*
. *The political consumer is a dangerous type of human being.*
. *Trying to do some good is a driving force for humankind.*

# SHARING VALUES FOR A GLOBAL COMMUNITY

## *The Need to Debate Values*

Today, it is necessary to debate values.

This is not an obvious statement. When values are lived, they are not discussed. In an exemplary society, values would be interiorised and embodied in codes of behaviour, transmitted from one generation to the other through the teaching of these codes and through rituals, and there would be no need for soul searching and public debate. The elder, the king-philosopher, the mandarin, the shaman, the priest, or any respected member of the community would set the tone and provide clear guidance for the group. In modern western societies, where prime importance is attached to individual rights and liberty, values and their open consideration are subjects under suspicion. It is widely believed that what is good for the individual and society - freedom, education, good health, increasing income, empowerment, and satisfactory relations with others - is obvious. To probe into the philosophical foundations of this perception of the good life and a good society would be superfluous, even dangerous, as there are demagogues and false prophets lurking in the shadows of society and ready to exploit concerns about the future, fear of the other, and similar emotions which rational people and a reasonably good and democratic society must ignore or push aside. Also, discussion on values is generally held to be the trade of churches and philosophical societies, while governments are made to govern, enterprises to produce, and media to entertain.

This line of reasoning is strengthened on the international scene by the diplomatic culture. Today, in the United Nations, as was most likely the case when Marco Polo visited the rulers of the empires in the East, diplomats relate to their colleagues from other nations with a formal reserve that excludes references to beliefs, feelings, and values. Such references would complicate relationships and negotiations and, perhaps more importantly, would be impolite. References to values would be akin to "invasion of privacy". Likewise references to God by the head of a major power founded on democratic and liberal principles, are received with a slightly amused puzzlement. References to God the Almighty by representatives of nations having rejected secular humanism and adopted a militant attitude on the role of religious principles and laws in the management of public affairs, are received, in the same context, with concerned bewilderment.

It is therefore with great reluctance and circumspection that the diplomatic culture, has accepted to let values be more or less openly discussed in the major global conferences initiated by the conference on the environment held in Stockholm in 1972. For diplomats negotiating the declarations of Rio, Cairo, Copenhagen, or Beijing, "values" are, mutatis mutandi, within the purview of the non-governmental organisations. In addition, while the texts adopted by these conferences are often explicit on principles and values, the "reservations" regularly attached by some member states to these texts illustrate the difficulties that international organisations have in letting philosophy intrude in their culture. These reservations, which negate the moral and political obligations contained in the declarations and programmes of action adopted by consensus, are not debated, are ignored during the monitoring and follow-up of the global conferences and are rarely used in the UN and other fora to foster or enrich the debate on the issues which have prompted some countries to mark their disagreement with the dominant view. In this sort of "cover up", there is some cynism, some non-deliberate neglect, but also the conviction that it would not serve any useful purpose to expose further differences on sensitive subjects, and the hope that the

governments who have made reservations may eventually be influenced by the mainstream thinking.

Such reticence for open discussions on values remains largely valid and should, as a minimum, dictate prudence in the choice of the objectives and modalities of debates which are indeed necessary for a number of reasons.

There is need to reevaluate values. To progress in the right direction, it is necessary to have an idea of the wrong direction. To have justice requires capacity for indignation, and moral quality in the rejection of cynicism and indifference. The emergence of various forms of social Darwinism, which pose serious threats to the integrity of a society, ought to be analyzed and debated. In various parts of the world, enormous scandals and wrongdoings occur, particularly in the financial domain and sometimes involving a whole nation. Generally, decisions are quickly taken by the financial and political establishment to fill the gaps caused by corruption and the enrichment of a few. Such decisions are wrapped in a technical jargon to prevent outrage and "maintain stability". It would be more ethical and healthier for social cohesion and the future of democratic systems to debate of the causes of these scandals.

There is need to purify values, and the language used to express ideals and objectives. Noble principles, dreams and aspirations have been much misappropriated and abused during this century. Totalitarian regimes, sometimes established ostensibly to promote social progress have perverted language, ideas and values. The ensuing cynicism is a major obstacle to development and political progress. Values of integrity, public service, social justice and trust need to be revitalised and purified in order to be taken seriously again.

Not to debate values in relation with economic trends and objectives means a de-facto acceptance of the values underlying the rise of global capitalism. Some of these are positive for the common good, while others are not. And, overall, the current ethos of a global market is not sufficient to create a global community. Thus, the culture of global capitalism ought to be debated, challenged and enriched through a broader vision of the defining characteristics of a compassionate humanity and civilisation. There is need for a moral code for the global village which might one day emerge; need for a global ethics; and need for a shared culture, with core values, to organize the world society.

The numerous values and norms which are, rather than absolute and intangible, open to different interpretations by different governments and culture, ought to be debated in a more systematic and organized manner, notably at the international level. Examples include fairness in economic relations, social equity, gender equality, access of all to justice, free movement of people across boarders, freedom and discipline in institutions such as schools, parental responsibility, or the treatment of criminals. Global conferences and their follow-up provide good opportunities for political debates on such subjects. Shared and conflicting values have to be accommodated in a new sense of a global community.

The social problems of contemporary societies, for instance criminality and violence, are to a large degree attributable to poverty, in all its forms. They also seem to reflect a weakening in the modern soul of a clear distinction between the right and the wrong. This is in line with the decline of institutions whose role is to transmit norms of behaviour. Research work and debates on this apparent moral vacuum contribute to a better understanding of social problems and the policies to address them. These efforts should not be used, however, to sideline questions of distribution of knowledge, income and power among people.

For a number of economic issues, it is useful to expand analysis and enquiry into territories that cannot be fully explored with purely economic concepts. For example: are there sociological explanations for the impressive fall in the level of savings in affluent countries? Could psychology and ethics contribute to an understanding of the problems of the welfare state and of the difference between welfare state and welfare society? How is trust between people - clearly a strong dimension of the social capital of a community - enhanced or depleted? Such questions touch upon values and social mores.

Overall, to consider and debate values is to be realistic, to increase knowledge, and to enhance the capacity for personal and social progress.

***Absolute and Universal Values***

Are there absolute values with a universally accepted meaning?

An absolute value is known immediately and without hesitation in the conscience of the average rational person. It is not open to interpretation. Its transgression is equally clear. The realm of "absolute values" is a concept derived from the philosophical axiom of a common humanity, equally shared by all human beings, irrespective of time, location, origin, gender, and, obviously, social and personal circumstances. Sharing common humanity, all human beings are equal as persons, have equal fundamental rights, and have an equal obligation to respect the humanity of the other. Then follows a limited number of basic prescriptions, centered around the physical and moral integrity of the person.

The notion of "common humanity" is a recent political concept. Although taught and lived by all great prophets and spiritual masters, it acquired universal and precise meaning only in the 18th century. Before that, at the time of its elaboration by the enlightment, and even more during the 20th century, it has been transgressed on many occasions, notably by totalitarian states, and also by "liberal" countries in the context of imperialism and colonialism. All barbarian acts, individual or collective, be it torture, slavery, racism, the holocaust, or ethnic cleansing, imply a denial of the humanity of the other - individual, community, or race. When it actually occurs, there is evidence that such denial is often cold and easy, as if humanity and the notion of right and wrong had disappeared from the minds of those who order or commit atrocities. When such collapses in civilisation happen, there is no alternative but to start rebuilding the community, step by step, using all means and institutions, from the school to the media, from debates in all fora to international justice.

Absolute values, moral imperatives, are generally stated in the negative. "Though shall not do unto others what thou do not want others to do unto you" is probably the most ancient and most universai principle. The Ten Commandments in the Old Testament of the Bible are prohibitions. Children are told first what they should avoid doing. It is probable that society has started with prohibitions, with the negative rather than the positive, and that the first and most fundamental negatives were to prevent murder, incest and cannibalism.

There are definite advantages in a moral and political philosophy based on the "Thou shall not" rather than the "Thou shall". Provided the list is kept to the fundamentals, prohibitions leave considerable room to the freedom and initiative of the individual and to diversity in cultures and scientific and artistic pursuits. Prescriptions lead more easily to ethnocentrism and to authoritarian regimes. From Savonarola to Hitler and Staline, all dictators have been most anxious to tell people how to be virtuous, productive and devoted to a cause or nation. Countless abuses have been committed to impose on human beings a religion or an ideology.

Thus, absolute values, stemming from the axiom of common humanity, are by definition universal and should remain few and intangible. Inflation would be deadly. If too many virtues and values are presented as absolute, not open to nuances or interpretation, then every norm and value becomes relative and open to transgression. The world would already be a much better place if these values defining humanity were more respected. No racism, no policies based on "ethnic" factors, no slavery, no torture, no physical abuse of any type, no war for gain of any sort, represent a demanding list of prohibitions.

Should absolute values be analyzed and debated?

This question does not arise when the behaviour attached to a fundamental principle, or universal ban is so interiorized by individuals and so inherent to a mentality or culture that transgressions are truly exceptional. Cannibalism is an obvious example. When, however, an absolute value is accepted by all but often transgressed, it seems that the "normal" reaction of society is to analyze through scientific work the magnitude, causes and consequences of transgressions, while avoiding public debates on the issue. A case in point is incest. There are indications, notably from physicians and social workers, that incest is not an exceptional occurrence in modern societies. Studies are made to understand the reasons for the transgression of this taboo, but, at this point of time, it does not appear on political agendas.

A different situation prevails when an absolute value is often ignored and is also implicitly or openly challenged. Racism offers an example unfortunately still relevant at the end of this century. Racism is condemned in all human rights declarations and instruments. It is the subject of a United Nations Convention on the Elimination of all Forms of Racism and Racial Discrimination. Yet, it still plagues the world. At regular intervals, pseudo scientific theories propagate views on relations between physical features of people and their intellectual or cultural characteristics. Racist behavior is frequent in a number of societies. In multinational states, or in nation-states with large "minorities", inequalities remain largely correlated with such dividing lines. And, in the public discourse at the national or international level there are sometimes allusions linking a problem, for instance violence, to a particular group or race.

In such a context, it is evident that racism ought to be denounced and debated and that specific policies are required, for instance to improve the economic, social and political situation of a minority in an affluent society. How explicitly, however, should the concept of "race" be part of such debates and policies? How helpful is it, from the viewpoint of the implementation and protection of an absolute value - here the fundamental equality of all human beings - to refer to race and racial prejudices?

There are two types of answers to these questions. For the representative of a long and strong humanist tradition, to discuss race explicitly would be to give reality to a concept which has no meaning, to admit that there could be an issue while there should be only an implacable fight against prejudices when they occur, as in the case of Apartheid. Such debates would only open the door for political use of pseudo scientific theories on the characteristics and superiority and inferiority of "races". To mention "race" explicitly would be tantamount to reducing the universality of absolute values. One should not give the devil his due.

Another proponent of the same humanist philosophy would, however, retort that prejudices and discriminatory practices have to be forcefully addressed to be eliminated. Race, goes this line of argument, is constantly referred to in the usual discourse, but only implicitly and in a coded manner. It is subsumed in expressions such as "law and order" in the United States or in European cities. It is implicit in comments on the "political stability" of the African Continent. Race is the central issue of the 20th century. To discuss it is not to be

indelicate. Rather, it is to give a content to the concept of common humanity and to give a chance to social progress.

Most important is clearly the agreement of these representatives of two different schools of thought that the elimination of racism requires concrete policies. However, the degree of precision of the discourse on such matters is likely to become an issue as transgressions to fundamental values acquire both banality and publicity. The most challenging problem for democratic political regimes fighting non democratic ideas and movements is to succeed without losing their own liberal characteristics. This challenge is also facing the international community as a whole, governed as it is by the western cultural tradition. "Universal conscience" does not necessarily imply a force to punish those who transgress its fundamental prescriptions. Yet, this conscience cannot be muted or defeated, even temporarily.

***Instrumental and Shared Values***

All absolute values should be universally shared and their protection should be enforced. A strengthening of the instruments and procedures established within the framework of the United Nations for the protection of fundamental human rights would be a most important aspect of social progress.

Yet, critical as they are, absolute values and rights are not sufficient to ensure the well-being of individuals and the harmony of societies. Norms and values exist in all spheres of life to guide the behaviour of individuals and the functioning of institutions. To call these values "instrumental" is to recognize that they shape all human thoughts and actions, from civility to the design of fiscal policies.

There is no universally accepted dividing line between absolute and instrumental principles, values and rights. For some, all human rights embodied in the "bill of rights" adopted by the United Nations and ratified by most member states, are indivisible. The Bill of Rights comprises the Universal Declaration on Human Rights and the two Covenants on Civil and Political Rights and Economic, Social and Cultural Rights, respectively. For others, many of the rights presented as universal are actually of a predominantly western orientation and are based on western values. Lately, this debate has reached a new level of intensity in the United Nations and other fora. And, some observers are predicting that future conflicts in the world will be along cultural and religious differences.

It might however be possible for all concerned to accept the following observations as a basis for discussion:

The distinction between absolute and instrumental values is important. From a universalist perspective, the "graduation" of a value from instrumental to absolute is a contribution to social progress. Such graduation ought to be debated and accepted in the competent international bodies. The reverse, that is the "relativisation" of an absolute value, is social regression.

All civilisations have a contribution to make to the search for shared values and to the debate on rights and responsibilities. All ideas positive for humanity and its future have emerged in a particular culture.

In the domain of instrumental values, differences in emphasis and interpretation are a source of richness and are positive for the world community as long as they do not contradict the absolute values and principles rooted in the philosophy of a common humanity.

There is no risk of inflation in the realm of shared instrumental values. From the family to the world community as a whole, individuals, institutions and nations have a better chance of survival and material and spiritual well-being if they freely and willingly share a large array of norms and values.

Values enhancing the well being of individuals and the harmony of social relations have a political mobilising force. Doing good, is a source of joy for individuals and of prosperity for institutions. Positive values have a power in the world.

Precise targets reflecting shared values and adopted solemnly by international organizations should not be too numerous. They require the mobilisation of resources and institutions for their implementation. They call for a high level of political responsibility from governments and other public institutions. There is a great risk of devaluation when positive goals and commitments are given a high but ephemeral visibility and are not actualized by concrete policies and actions.

Yet, realism is an ambiguous concept when it comes to expressing values and setting objectives. Realism is a traditional excuse for conservatism and the protection of specific interests. Lofty and "unrealistic" targets can do harm to the values they represent, but can also penetrate the multiple fora of the international community and effectively contribute to human flourishing.

***Self-Respect and Trust***

Self-respect is a central and shared value. It is a feeling, a state of heart and mind, that human beings across time and cultures, understand, and live. It is an expression of "the inherent dignity of the human person" mentioned in the preambles of all declarations and covenants on human rights. Studies and surveys of the wishes and expressed needs of populations living in material poverty and deprivation, confirm that the most important demand and aspiration of the poor is indeed the availability of conditions enabling them to preserve their self-respect. The centrality of this value has many implications for economic and social policies and for the objective of creating a humane economy. The contribution that the world economy is making to raising the self-respect of individuals ought to be part of the assessment of the quality of its functioning. Questions of unemployment and employment ought to be addressed through the lence of self-esteem of the individual. Given the characteristics of the dominant modern civilisation, the importance that individuals attach to an economic activity enabling them to earn an income for themselves and their families justifies the high priority that governments and the private sector should give to the goal of full employment. Economic justice is incompatible with widespread unemployment.

Trust is a value which is increasingly perceived as critical to the functioning of an economy and society. It is both a personal and a social value. Given the great complexity and magnitudes of transactions in the modern economy, legal regulations, contracts, and other arrangements have become indispensable. However, not all aspects of human and economic relations can or ought to be subjected to legal procedures. Trust can also ensure quality and efficiency in economic relations. In fact, the best and most elaborated legal system would become unmanageable and extremely costly for society if not complemented by a code of conduct among individuals requiring respect for commitments and mutual trust. This private and public virtue is part of the "social capital" of a community and nation.

***Shared Values and diversity***

Economic transactions at the world level imply common rules of the game based on shared instrumental values. This requirement, ranging from the use of a common language to harmonized systems of accounting and respect for contracts, is a contribution to social progress. Possibilities for people to communicate and understand each other are multiplied. At the same time, uniformisation means destruction of cultures and ways of life. It is obvious that economic integration promotes uniformity rather than diversity. There is increasing uniformity in the world from architecture to shantytowns, from clothes to restaurants, and from television programmes to songs, ways of life, modes of consumption, and social problems. Diversity seems to become an expensive luxury, while the average person on any continent is increasingly an "average consumer of mass produced goods and aspirations ".

This type of observation tends, however, to be superficial and to mask bitter conflicts and difficult questions. It is perhaps only on the surface that the various forces and processes of globalisation are undermining cultural diversity. There are creative tensions between values of equal validity and social importance that generate different and sometimes diverging ideas and actions. Some of these tensions tend to become global, as for example between liberty and fraternity, rights and responsibilities, rationality and empathy, the legal and the ritualistic, autonomy and social participation. Such tensions are sources of creativity if debated and acted upon in a spirit of moderation and if the search for balance is a continuous process. Social engineering has long since exposed its strong limitations. Economies and societies function harmoniously when considerable room is left for error, correction, innovation and, above all, imperfection.

In that sense, and even more from the viewpoint of the richness of the world, diversity is a value. It has a myriad of meanings. It could be argued that apart from the common humanity of all human beings and the absolute values attached to it, maximum diversity is desirable in culture, ways of life, intellectual, artistic, and spiritual pursuits, architecture and types of human settlements, social institutions and arrangements, types of markets, economic structures, and forms of democracy.

Is it possible to advocate both an expanding realm of shared values for a global community and diversity in life styles and cultures? For this to become a creative tension rather than a contradiction, there is no overall recipe, only a mix of policies - on urbanisation, location of economic activities, educational programmes, support to fading languages, support to arts in general. It also depends on actions by people anxious to keep their identity while participating in the construction of the global village.

Where are the sources of the instrumental and shared values without which neither global capitalism nor any other form of international community could flourish? It is indeed possible for the market to produce tools for communications and rapid transactions across the world. It is not possible for the same market to generate trust among partners in a joint venture. Economic integration at the world level requires a large variety of institutions with different purposes, including mediating institutions "producing " shared norms and values. Institutional richness is a must to avoid a market society and is also a condition for the good functioning of a market economy. Global capitalism, however, tends to bulldoze the field and to respond to difficulties and uncertainties with more concentration of power and more aggressive strategies. In that sense, unbridled capitalism is the worst enemy of a humane market economy.

A few thoughts on values:

*"What does it mean that success is a problem?
It means people are too bound up in themselves.
If they weren't so self obsessed
they'd have no need to be worried.

If you can put yourself aside -
then you can do things for the whole of the world.
And if you love the world, like this
then you are ready to serve it."*

*Tao Te Ching*

*"Qu'est-ce que la tolérance? C'est l'apanage de l'humanité. Nous sommes tous pétris de faiblesses et d'erreurs;pardonnons-nous réciproquement nos sottises, c'est la première loi de la nature."*

*Voltaire*

*Love is a revolution, the most profound of all, but the most blessed! (...) Love does not seek its own. The truly loving one does not love his own distinctiveness but, in contrast, loves every human being according to his distinctiveness; but "his distinctiveness" is what for him is his own; that is the loving one does not seek his own; quite the opposite, he loves what is the other's own."*

*Søren Kierkegaard*

*The responsibility for economic and social well-being is general, transnational. Human beings are human beings wherever they live. Concern for their suffering from hunger, other deprivation and disease does not end because those so afflicted are on the other side of an international frontier. This is the case even though no elementary truth is so consistently ignored or, on occasion, so fervently assailed.*

*John Kenneth Galbraith*

***Humility and Community***

Denunciation at all levels and inflexible pursuit of justice by all legal means available, would seem to be proper responses to failure to respect absolute values and fundamental rights. Less vehement and self-assured attitudes are required in debating and promoting values and rights on which there are legitimate difference of interpretation and for which no culture, nation, institution, and organisation has a monopoly of knowledge and wisdom.

Debate on shared values, on their concrete meaning and on the tensions that exist between equally valid norms and aspirations, requires respect for the other, humility, capacity for self criticism, and perhaps above all, humour, as a manner of recognition that wisdom for individuals, institutions and society is never a status, but rather a joyful aspiration. There are a number of ethical guidelines which might be usefully discussed, as the modern psyche appears to oscillate between excessive individualism and excessive conformism. Among them:

To reach personal identity is to overcome egocentrism;
To enlarge ourselves, we must enlarge others;

To become fully human is to transcend selfishness, parochialism and perhaps secular humanism;
There is more joy in giving, than in receiving;
The modern person and citizen ought to become more duty bound;
The person is at the center of all relationships;
Society is not only a competitive and adversarial system, but also a community of trust.

A shared sense of a global community, with its problems, achievements and aspirations is a meaningful objective for the new millennium. It cannot consist only of the access by all to autonomy, security, and material comforts, however necessary these objectives. Spiritual values, the highest aspirations of personal greatness, through humanism or through religion, are intrinsic and fundamental to human nature. Negative expressions of phrases such as "this is human nature", or "human nature will not change", generally convey limitation, a sense of sober awareness that individuals have weaknesses and should not be expected to behave with altruism and wisdom. Such expressions serve as a warning to reformers, revolutionaries, and idealists, that there is no perfect society and that the attempt to construct one is either futile or conducive to totalitarian political regimes. Such realism is to be shared by those attached to values of freedom and democracy. At the same time "human nature" is both a given and a construct, and needs and aspirations of all types, including spiritual, are both intrinsic and acquired. A harmonious culture and civilisation, never achieved and always in process of creation, leaves room for expression of the affective, creative, and spiritual facets of human nature.

***Increased Consumption and Frugality***

Would a more democratic world economy render more difficult reconciliation of growth of production and consumption with ecological prudence and personal harmony?

It is often argued that the global spread in countries such as China and India, of the type and level of consumption currently enjoyed by a middle-class citizen of the United States or Western Europe would be physically unsustainable. If for instance, given present technologies and estimates of the world's natural resources, China were to reach the current level of consumption of the average household of the industrialized world, calculations suggest that energy consumption would increase fourteen fold. Take for instance the automobile and its current engine: the "two cars garage" image, if applied to every household in the world, becomes a nightmare. To this is added the demographic factor and the fear that a still rapidly rising population at the world level will bring an intolerable pressure on resources, on space, on the ecology and on the human community. Catastrophic scenarios for the future are built on such projections.

Doomsday scenarios should be used, however, not to condemn the current dominant pattern of production and consumption, but to stimulate efforts at developing better, more efficient and more satisfying goods, services and amenities. This is why scientific research and development of new or improved technologies are of such critical importance and justify considerable resources in relative and absolute terms. This is also why, scientific and technological development left entirely to the private sector which has short term profit as its main objective and responsibility to its shareholders, is problematic. The prosperity and power of a corporation, or, for that matter, of a country, is insufficient justification for scientific research and technological change. A strong preoccupation with the common good is required. Ultimately, intellectual and scientific pursuit should reflect a dialogue between the individual, with his or her freedom and conscience, and the world community. This dialogue is currently hampered by preoccupations of profit and economic or nationalistic competition. Hence the great importance of intellectuals and scientists of all disciplines and nationalities being able to

share freely with their peers their findings and interrogations. For the building of a "global village" and its governance, exchanges and openness involving people from diverse walks of life, not only through trade or investment, are important. Most critical, however, is such freedom for those who are opening new intellectual and scientific frontiers.

What is morally and politically unjustifiable, is the argument that the long run non-viability of the current dominant model of production and consumption is reason to deny access to the amenities of development to the people of the South. To implement a policy of limitation of the production and consumption of such and such good would first of all be technically unfeasible. Short of a dictatorship at the world level, it is precisely the raison d'être of the international economy to "open new markets" and to promote mass consumption. Ideally, everyone who wishes to profit from the most desirable goods and techniques should be able to fulfill this desire. Economic development is essentially the provision to a larger number of people of the income enabling them to acquire these amenities. The notion of "basic needs", and therefore "basic goods and services" and "basic income", should not be anything more than a tool to assess the extent of poverty in a community or in the world. To construe the "satisfaction" of these "needs" as an objective, would be to separate humanity in two groups: those who can enjoy a comfortable style of life and those who should have just enough to be human. Any trace, implicit or explicit, of such an attitude in the policies of governments, private institutions and regional and international organisations should be denounced and eliminated.

Thus, two objectives remain valid and have universal application: the first is to increase the number and relative proportion of people with access to modern goods and services; the second is to continue to modify the prevalent patterns of production and consumption so as to sustain a healthy, safe, and beautiful environment. The reconciliation of these two objectives is obviously difficult. There are many hurdles on the road to sustainable economic development. Ecological disasters have already occurred, for instance the Chernobyl catastrophe. Other major problems are likely to appear.There is no alternative, however, but to have faith in human ingenuity, realism, and in enlightened freedom. Policies and regulations, at all levels, are made to orient human creativity, not to impose an impossible stability. Along the road to a viable or sustainable economic development, successes and failures will modify attitudes, aspirations and cultures. Since the middle of the last century, the Western civilization has propagated throughout the world a culture of economic growth and unrestrained satisfaction of individual needs and desires. A culture of moderation and frugality will only emerge with great difficulty. While for a number of reasons it ought to emerge, it cannot be imposed by the materially affluent on the materially poor.

## *Make Self Interest Contribute to the Common Good*

*Wonderful and horrendous things have been done on behalf of perceived self-interest by individuals, institutions, and or states. At one extreme, self-interest negates the existence of the other, pushes aside all obstacles to the satisfaction of its needs and desires, be it money, power or simply affirmation of the self. At the other extreme, self-interest leads to sanctity, to the total gift of the person to others, to the identification of accomplishment with charity and service to the community. More commonly, a person responsible for a private business might consider that self-interest means maximization of profit within the law but without consideration for the welfare of employees, the image of the company in the community, the impact of the production on the environment, or the effects of products on consumers. Another person in the same position might take account of all these factors according to his or her perception of self-interest.*

*There is no doubt that self-interest is the strongest motive for action, but there is no fundamental reason, a priori, to oppose self-interest and the general interest. The existence of a continuum between the interests of individuals and the interest of the community is the central hypothesis of liberalism, in economics as in society. And the utilitarian philosophy has the same core.*

*The challenge for individuals, society and the world community is to push the perception of self-interest as close as possible to the common good. Laws, regulations, and, above all, the shaping of thinking and behaviour through education and a multitude of cultural channels are opened to facilitate this commonality.*

*For many observers global capitalism seems to represent the triumph of the egocentric perception of "self"-interest over the general interest. Issues such as salaries of chief executives, financial speculation, mergers of companies with dismissal of employees, corruption of individuals, companies and public authorities, contribute to this perception of blind and callous pursuit of money and power. Even the states, though deriving their legitimacy from the protection and promotion of the general interest of their citizens, are preoccupied with the preservation of power and the servicing of the elite. International organisations, created for the common good of humanity, are often accused of bias in favour of the most powerful and satisfaction with policies that ensure their survival.*

*There are, however, a number of occurrences that favour reconciliation of the self and general interest. If nurtured and encouraged, they should contribute to enriching the process of globalisation.*

*In the wake of the tragic totalitarian adventures of this century there has been awareness that no conception of the common good - national or universal - can be imposed by coercion on individuals. In addition to being morally wrong, a coercive policy leads to the destruction of the common good and to an exacerbation of corruption. Cynicism replaces moral values.*

*Corollary to this point is the rather widely shared conviction that only a mix of legal obligations and interiorized values - what is called here a "culture" - leads to personally responsible and socially useful behaviour. This conviction is compatible with a belief in the perfectibility of the human person, as well as with a philosophy conceiving human nature as a stable phenomenon more or less imperfectly tamed through a variety of institutions. Hence the critical importance of education and of socializing institutions.*

*The publicity given in various parts of the world to corruption and to the fight against it, is perhaps an indication that it is a widespread phenomenon, a cancer of modern societies. It also strongly suggests that there is a conscience at work in the same societies and that limitations on greed and cynicism are possible.*

*The present widespread concern with ethics, ethical behaviour, ethical codes, business ethics, social responsibility, even ethical accounting, can be interpreted as evidence that interiorized virtue and "natural" good behaviour have weakened so much that it is now necessary to develop courses and consultancy firms to teach individuals and institutions how to behave properly. Even worse is that the renewed interest for philosophy and ethics is exploited by rapacious greed. Ethics, today and probably tomorrow the spiritual and spirituality, could become a profitable business. A more helpful interpretation, however, which could contribute reducing the commercialisation of thoughts and feelings is that once more, humanity is trying to find a new equilibrium, new balances between the mix of needs and aspirations, weaknesses and virtues which charactarize the human condition.*

*There seems to be, in various quarters, a rediscovery of the continuum between individual behaviour and the overall welfare of society and the world community. While participation is compatible with a separation of the private and public spheres,*

*social responsibility means a recognition that all actions contribute positively or negatively to the common good. Citizenship, in a democratic context, needs to be enhanced at the national level and expanded to involvement in world affairs.*

## *ACTORS AND INSTITUTIONS TO CREATE A HUMANE WORLD ECONOMY*

*Democratisation of the world economy, enrichment of the process of globalisation and the nurturing of shared values, require the involvement of persons and institutions of good will. The media, religious authorities and institutions, trade-unions, private associations, and non-profit organisations which have done much to place good causes on national and international agendas - including the prohibition of slavery and racial discrimination, equality for women, and the protection of the environment - have a critical role to play in reconciling the world economy with social progress. Three actors, because of their functions and power, have the greatest responsibility for realizing a renaissance of the spirit at the turn of a new millennium. These are the private economic sector, governments and international organisations.*

### *Nurture Socializing and Mediating Institutions*

*It is very often ascertained that there is decline of the basic institutions which have traditionally "socialized", even "civilized" individuals through the teaching of norms of behaviour, codes of conduct and values screening the right and the wrong. It is also established that this weakening is related to the moral crisis and moral vacuity which seem to be undermining large sectors of the dominant civilisation.*

*Basically correct for the Western world, this diagnosis is less accurate for a number of other societies. In Asia, in Africa, in the Middle-East, in Latin America, the family - its extended rather than nuclear form - remains the principal locus of the individual. Schools and universities are too scarce but still highly respected. And religion has often maintained spiritual, moral and secular authority. In fact, "fundamentalism" expresses a domineering and controlling role of religious leaders and prescriptions in all spheres of life and society. It is a subordination of the individual to a set of precise values and norms. Thus, there are many parts of the world where individuals receive protection and teaching from traditional institutions. In some cases, "protection" entails a denial of individual autonomy and a violation of fundamental human rights.*

*These differences are well known. If the decline of the influence of very old and very venerable socializing institutions in the West is considered of universal significance, it is essentially for two reasons. What is happening in the West, whose civilisation has been defining modernity for a few centuries, seems to announce a trend for the rest of the world. And, the institutions and forces which have to a growing extent replaced in affluent societies the old mediators between the individual and society, are covering the whole planet at great speed. These forces include the media, and to a lesser degree business corporations. Whether or not these new forces are propagating socially beneficial norms and values, their influence is enormous.*

*In such complicated and sometimes emotional issues, a few basic assumptions, or axiomatic ideas, may enrich the discourse. From the perspective of the relationship between the individual and value loaded institutions, the process of globalisation would be more in line with social progress if:*

> *Individuals engaged in economic transactions, particularly those, with power and who are de facto role models, would increasingly share basic values of honesty, integrity, responsibility and concern for the welfare of others;*

*Individuals not directly active on the economic scene, but pursuing other ventures in the intellectual, artistic, aesthetic, spiritual and contemplative realms, would be recognized as contributing to the overall welfare and harmony of society;*

*All individuals, organisations and nations would value knowledge, information, respect for other perspectives and views, and concern for the common good;*

*Mediating institutions, notably the school and the media, would teach people, and particularly the young, that human beings have various needs and aspirations, that societies are made of a large array of norms, values, social relations and institutions, and that universal and shared values are compatible with diversity of views, ideas, customs, languages and ways of living.*

*Old institutions which are not replaceable should be supported, first by their members, then by public policies and by society at large. There is no "trend" written in the evolution of humanity that families, for example, should progressively disappear or should lose their role of giving security to the individual and transmitting values and social mores from one generation to the next. Changes are not necessarily synonymous of decline. There are many measures, including fiscal, that are and can be taken to help the family without compromising the freedom and responsibility of its individual members.*

*The same applies to the school. The fact that young people are subjected to the influence of new "teachers", notably the media, should lead to a strengthening, and not weakening, of education systems.*

*Societies function better if there are a multiplicity of institutions and organisations, value-loaded or not, through which individuals and groups can express and fulfil their needs and aspirations. The counter proof given by cities and suburbs deprived of socializing places and institutions is tragically obvious. Boredom, isolation, lack of purpose and dreams, feeling of injustice and alienation from the political and social systems, lead young people to violence and crime.*

*At the international level, all possible forms of communications and exchange, including networking of institutions, particularly for universities, colleges and technical schools, ought to be encouraged, including through financing by public or private sources. Businesses, unions, political parties, non profit and non governmental organizations gain from dialogue and exchange across national borders.*

*Globalisation will never be complicated enough, diversified enough, and rich enough in terms of projects and expressions of various initiative. The contradictions, tensions which mark the globalisation process, for instance between the need for roots and security versus the need for new horizons, should be encouraged rather than discouraged, be nurtured rather than deplored. Globalisation will have a chance to be truly positive for humanity when it defies comprehensive description and when it resists any typology or reduction in a system. Global capitalism will be positive for the common good when it is democratic and when it enjoys competition with other endeavours and ideals. Complementarity of institutions, and richness of the spirit, are important notions to build a world market economy and resist the temptation of a global market society.*

## *The Role of New Actors*

### *Non-Governmental Organizations*

*Many associations and movements appearing in the United States and Western Europe after World War II and known as "non-governmental organisations" - because of their status in the United Nations - were founded for the defense and promotion of various values. Such organizations ought to be increasingly involved in debates on the values that should sustain the*

*international community and the cooperation of its members, including through the process of economic integration. While efforts to promote social justice through redistributive policies and through solidarity or charity remain essential, organisations of citizens at local, national, regional and international levels should also contribute to the discourse on economic and financial matters. They should provide inputs for the policies of the private and public institutions shaping the world economy. Democracy is an ideal valid in all spheres of society. However, influencing human affairs, sharing information and power, has to be placed in a culture of responsibility. Transparency, accountability, internal democratic rules and procedures, are desirable characteristics of all institutions and organisations having a societal project and role.*

## *The Public Intellectual*

*The "public intellectual" has antecedents - notably in the Russian tradition of the intelligentsia and in the French post-war role of the "intellectuel engagé" - but is also a "new creature" which should be encouraged to respond to some of the needs of the time. Most intellectuals, in universities are highly specialized and not interested in issues on the international agenda. They develop their knowledge to share it only with their students, with their colleagues, and with a limited audience through specialized publications. They generally do not try to add their voice in the public debate and discourse. This attitude can be seen as a misuse of cultural competence.*

*The role of the new public intellectual would be to complicate the debate, to raise questions, for instance on the market and its functioning, or on the unintended exclusivism of current economic arrangements. They would be expected to offer analyses and interpretations. By vocation and function, the public intellectual has to be critical of the status quo and critical of the commonly accepted perceptions of issues and elements for solutions. He or she should have an ethical discourse, with a language that refuses to hide itself in jargon. The public intellectual should operate not only in the academic community, but also work in foundations, social movements, government services, mass media, and the business sector. The function of the public intellectual is vital in all spheres of society and far from being elitist, it is highly democratic through debates in a large variety of fora. The public intellectual should provide linkages between "localism" and "globalism" and assist in the collective exercise of self-reflectivity and critical self-understanding which is so necessary for solidarity, partnership and cooperation. The public intellectual should be a critic, not only of the status quo but also of short term, false and morally wrong approaches to problems. There is civic virtue attached to the ability of handling ideas and concepts, as there is civic virtue in performing well any profession and role in society.*

## *The Media*

*The media has immense power and a decisive role in the formation of opinions, beliefs and values. Currently, there is a very strong concentration of financing and management power in the media. An oligopoly of five companies, based in the same geographic area is responsible for distributing television programmes throughout the world. There is no quality or cultural control on these programmes. Monopoly or oligopoly, means the diffusion and imposition of only a few values. Privatisation and deregulation has resulted in concentration of power and responsibilities in a few private hands driven by the need to expand and earn profit. It is a great paradox that the notion of public interest and public service, with all the guarantees for freedom of expression and creativity that are relatively easy to put in place in democratic societies, has been overcome or*

*subsumed in a massive concentration of economic power generated by new technologies fueling the mass media. Many governments and parliaments have in this case abdicated their responsibility.*

*Remedies will have to come from governments and political processes. There is need for balanced pluralism in the world of the media.This does not mean that a large number of stations and channels are necessarily better than a few, but choice between different voices are generally offering more guarantees of quality.There is also need for regulations. A publicly controlled press and television is necessary. Some balance between national and international media sources, or between the national and the local media, is also necessary. A debate on international arrangements putting mass media in a better position to contribute to a civilised process of globalisation, is imperative. Information cannot be created as an ordinary commodity, especially in a period overwhelmed by consumerism.*

The Social Summit on the media:

*"An open political and economic system requires access by all to knowledge, education and information by:*

*Enabling and encouraging access by all to a wide range of information and opinion on matters of general interest through the mass media and other means;*

*Encouraging education systems and, to the extent consistent with freedom of expression, communication media to raise people's understanding and awareness of all aspects of social integration, including gender sensitivity, non-violence, tolerance and solidarity and respect for the diversity of cultures and interests, and to discourage the exhibition of pornography and the gratuitous depiction of explicit violence and cruelty in the media."* - Programme of Action, Chapter 1, par. 16.

*"Eliminating discrimination and promoting tolerance and mutual respect for and the value of diversity requires (...):*

*Encouraging independent communication media that promotes people's understanding and awareness of all aspects of social integration, with full respect for freedom of information and expression."* - Programme of Action, Chapter 3, par. 73.

*"Effective implementation of the Copenhagen Declaration and Programme of Action (...) requires (...):*

*Encouraging educational institutions, the media and other sources of public information and opinion to give special prominence to the challenges of social development and to facilitate widespread and well-informed debate about social policies throughout the community."* - Programme of Action, Chapter 5, par. 80.

***An Economically and Socially Responsible Private Sector***

Apart from spreading modern goods to all corners of the world, global capitalism has brought about concentration of economic and financial power, development of the informal sector with all the opportunities and risks it entail, particularly in the developing countries, and shift of power from labour to capital with the ensuing weakening of workers' rights and bargaining power. These are, at best, ambiguous achievements. But, global capitalism represents

neither the whole world economy, nor the whole private sector. Though less well-known and less powerful, there are very large numbers of entrepreneurs and small and medium-size firms that have only indirect relationships with transnational corporations and international financiers.These independent entrepreneurs, farmers, and people engaged in various trades and crafts have often much to fear from global capitalism.

An important contribution for the private sector as a whole to make to the common good is to limit or even reverse the "natural" trend towards concentration of economic and financial power. This contribution obviously entails a large array of measures from public authorities. It is clear, however, that the private sector itself can also act to promote its own democratisation and economic justice. Reference has been made above to a "taming of competition" in its current terms. However, not only the gain of new markets and the increase of power and profit, but mostly the need for "survival" is invoked as a rationale for mergers and acquisition of competitors. The dominant ideology, much publicized by the media, is that only huge conglomerates can have the resources to compete successfully and expand their market. In a number of affluent or economically improving countries, success and international expansion of corporations represents a renewed expression of nationalism. Implicitly, it is considered that this form of national achievement in the best interest of all.It would seem, however, that the health of a national economy and of the world economy, depends more on the number and vigour of active economic agents than on a few flagships sailing around the globe. Much has to be done, first to understand the economic forces that favor a domination of market economics by global capitalism. Significant room for economic manoeuvre should emerge from analyses geared towards the objective of a more democratic world economy.

Employment creation is the second contribution that the private sector is making to the realization of a humane economy. Here again it is up to the state to set the conditions for full employment through economic, fiscal and social policies. The private sector can respond positively or not to the incentives given by the state and can develop or not its own strategies. In most countries which have the possibility to develop employment policies, because of their level of economic development, priority is currently given to financial stability. High levels of unemployment and job precariousness, labelled "flexibility", are prominent features of global capitalism. Neither for states, nor for large and transnational corporations, is the creation of job opportunities a central element of their strategies. To the contrary, "downsizing" of private and public institutions is considered as a sign of efficiency. Perhaps because of the collapse of the communist regimes where full employment was achieved at the cost of economic efficiency and productivity, active measures including investment in public works, and expansion of employment in the public sector are currently regarded with suspicion or even totally rejected. As usual in this sort of circumstances, many kinds of theories are advanced on "the end of labour", or on an alleged overemphasis of the industrial age on work versus more noble pursuits such as leisure and conviviality. Technological changes "save" labour costs instead of being controlled and oriented within comprehensive strategies giving priority to remunerated work.

Partnership between the owners of a company, its management, and its employees is a recipe for economic success and, in itself, a contribution to a humane economy. Like other organisations, including employers' and non-governmental organisations, trade unions need to be alert to requirements for democracy in their structures and deliberations, and also need to gauge their positions in the light of the common good. The weakening of trade unions, however, does not serve the interests of the workers and provide only short term victories and gains to the employers and to the state. In economically developing countries strengthening the trade unions is indispensable to providing counterweights to the state and to private companies, including transnational companies. In most European countries, unions became the privileged social partners of the state and employers after World War II and played critical roles in econom-

ic reconstruction and the elaboration of systems of social protection and social security. Such institutionalized participation of unions in the public affairs as well as in the management of individual companies, still exist in some European countries. Neither economic prosperity nor the social climate suffers from workers' and employees' power expressed through the unions: to the contrary. Cooperatives, again quite powerful in parts of Europe and emerging in a number of developing countries, offer workable alternatives to traditional forms of ownership in a number of sectors.

Many private companies go beyond the law of their land to establish far-reaching forms of participation, co-ownership and co-management. In doing so, they make a most significant contribution to the social fabric.

There is a growing part of the economy which is shifting from the production of physical goods to the production of knowledge, information and communication. In such enterprises, success depends more and more on creativity and imagination, on the capacity to attract and transfer knowledge. There, traditional cost-effectiveness concepts are no longer relevant. And it seems that the very nature of this type of industry and business calls for innovative forms of management with loose structures, networks rather than hierarchy, a premium on the "human factor" and on the capacity to mobilize the best in the brains and hearts of people. Within such a business culture there is no alternative but to act in a socially responsible manner.

Rough estimates indicate that this "post modern" fringe of the industry represents about 5 per cent of all companies in OECD countries. While the demonstration effect of innovative, participatory and democratic forms of management should be encouraged, it would be imprudent to rely entirely on the good will and virtue of the private sector to create a humane world economy. This applies to participation of workers as well as to the protection of consumers and the protection of the environment. It is well known that bad standards of behaviour tend to chase good standards, that corrupt practices tend to obscure virtue. There is the recurrent danger of the coexistence, in national economies and in the world as a whole, of a modern private sector, efficient, fair and participatory, and of an "informal sector" where insecurity and exploitation is the rule rather than the exception. Such dualism is morally wrong and is not sustainable, socially or politically. The intervention of the state is often necessary to force companies and the private sector to do what is in their best long term interest.

Lastly is the question of the contribution of the private sector to a humane world economy through ethical behaviour. In the large sense, ethics includes the social responsibility of the private sector, its attitude vis-a-vis employment, its forms of democratic ownership and participatory management, and its relationship with the community.

In a more narrow sense, ethics refers to codes of conduct and to prescriptions casted in the negative: "Thou shalt not buy a contract through corruption of public servants, Thou shalt not put on the market a product harmful to consumers or to the environment, or Thou shalt not evade taxation."

Both approaches to ethics, but perhaps more the narrow one because of the current "anti-corruption drive", are receiving attention, including from the business community itself. There is a growing minority of managers and business owners who, as noted above, are seeking to promote a "new business ethics" based on responsibility over a broad spectrum of economic, social and environmental issues. There is also the neo-utilitarian conviction, with the enlightened business community and among academics and "public-intellectuals", that it "pays" to behave ethically, that, in the medium and long run, only companies operating in a strong ethical culture are successful in hard and traditional economic terms. This is seen as demonstration that self-interest can also be the best interest of all.

The distinction between ethical conduct motivated by virtue and ethical conduct motivated by self-interest is not only of relevance to philosophers. It is the blending of virtue based and self-interest sourced morality which, in individuals and in the culture of institutions, gives a particular weave to the social fabric. Total moral relativism, the absence of any a priori distinction between the right and the wrong and the exclusive reliance on what is good and useful for the individual or institution, is as unworkable as moral absolutism, or pre-established set of precepts to be applied whatever their individual and social consequences.

Today, individuals, private companies and all other institutions shaping contemporary societies are searching intensely for elements of a moral philosophy. It is definitely a positive sign for the contemporary culture and for the future of global capitalism that some "airport bestsellers" now discuss issues of responsibility of the business community and global governance, rather than greed and recipe for quick success.

***Rehabilitate the State, the Public Service and the Political Process***

Probably very soon after the first "social contract" or its equivalent was contrived, balance between the power of the public authority and the rights of the individual became a contentious issue and has continued to be. Human rights have been recognized against the public power before being guaranteed by the same power. And abuses against the freedom and dignity of the individual have been perpetrated or condoned and tolerated by state apparatus. In modern times, under the influence of thinkers in search of an absolute in human affairs, notably Hegel, there has been deification of the state and temporal life. Faith in a transcendent God was replaced by faith in Moloch. And, subsequent totalitarian adventures, epitomized by Hitler, Stalin and the "little red book" of Mao Tse-tung, with their millions of victims and their formidable damage to the human spirit, have done little to legitimize attempts by the state, representing society, to transform the human condition and impose a particular ideology to individuals.

Parallel to this tragic history, has been and is currently a struggle for checks and balances to limit and control the power of the state and its different branches, a search for democratic forms of government and for types of interventions that would permit human freedom to flourish while ensuring security and the minimum of social cohesion without which society could not exist.

As the growth of the economy and "development" became major responsibilities for the state, an array of instruments for the regulation and orientation of the economy were put in place, notably planning and economic forecasts, and different varieties of "mixed economies" were invented. Together with strong public services these composite systems of state ownership, economic regulation and free market, made a very significant contribution to growth and social welfare in different parts of the world. At the beginning of the decolonisation process, newly independent nations often choose to adopt such types of mixed economies with a leading role of the state.

Mixed, complex, non-spectacular, always struggling and always fragile regimes of this democratic variety are normally most appreciated when they are missing. Criticism is inherent to democracy and, even before the resistible ascension of global capitalism, there were plenty of negative comments on the performance of mixed economies whether they were of the planned, liberal or social-democrat type. Growth without inflation was difficult to achieve. Taxes and regulations stiffled entrepreneurship and hampered the functioning of the market. Redistributive policies were too costly and hampered the responsibility and dignity of the recipient individuals and families. Trade unions were an obstacle to modernisation of the economy and to the introduction of new technologies. In spite of deliberate efforts to create

equality of opportunities, there was still a strong "self-reproduction " and perpetuation of a small elite having the economic, cultural and political power. Societies had become too bureaucratic and citizens felt uncomfortable with the various central, regional and local administrations which were supposed to service them. There were too many public servants who were overprotected and had forgotten their raison-d'être. Worse, the public service was often corrupt. And, politicians were more preoccupied with their reelection and career than serving for the common good.

The combination of these two tendencies - legitimate fear of the state becoming too easily totalitarian and accusations of inefficiency, incompetence and waste - provided fertile ground for the ideology of deregulation, liberalisation and privatisation which started to gain notoriety in intellectual and political circles at the beginning of the 1980s and then rapidly became a prominent feature of the spirit of the time. To mention it again, the collapse of the Soviet Union and of its centrally planned economy greatly facilitated conversion to the absolute value of a free and global market.

Rejection of determinism in human affairs means belief in the capacity of individuals and institutions to act to alter the course of history, and means also conviction that excesses do not correct themselves "naturally ". In political and ideological matters there are no spontaneous "balances " and returns to moderation after indulgence in simplistic ideas. New equilibriums are created by a multitude of visible and discreet thoughts and actions, including by reactions to excesses of the prevalent ideology. The role of the state will be rehabilitated, because it is an imperious necessity and because individuals, groups, political parties and other public and private organisations will struggle for this objective.

Pressures are building on governments to recognize that their function is to govern and that this implies assuming responsibility for the overall welfare of society. They have to exercise a central role for regulation of the economy, the process of globalisation, and social progress. They cannot protect themselves behind the "market ", justify absenteeism by the virtues of a laissez faire philosophy, and hope their societies will prosper. Various forms of mixed economies could most usefully be rehabilitated, or reinvented, depending on national circumstances. Economic and social planning is clearly a necessary tool for a government that intends doing more than responding to various pressures.

Restoration of a leading role for the State is all the more necessary for governments, and notably those of the most powerful economic countries, which have deliberately abandoned their instruments for regulation to leave a free hand to the "forces of the market ". The less powerful nations and national authorities had little choice but to follow this movement.

Ultimately recognition of responsibility for creating a humane national and international economy will be imposed on governments by popular will. Increasingly, peoples are asking governments to make choices, to define priorities and to impose by legal and regulatory measures a democratic perception of the general interest and common good. Such pressure will come in some societies from unexpected quarters. Not only the poor and the excluded, but also the middle-class, commonly benefitting from the current pattern of growth and consumption, is increasingly concerned about economic and social justice and better perspectives for its children.

There is obvious need for sharing of responsibilities between the state and the private sector. This convergence is a new and most important feature of post-modern society. The frontiers between the public and the private spheres are moving and such change needs orientation according to some basic principles. Some elementary guidelines are indispensable:

The sharing of responsibilities implies distinct roles and a reasonably clear division of labour. The state and the market cannot be substitutes for each other, but must complement each other. This relationship cannot be specified once and for all. These two institutions can adapt to one another in a cooperative manner over time, while keeping their identity.

The private sector contributes to the common good, but the state is the guardian of this common good. It is also through the state, via political and democratic processes that the common good ought to be debated and defined. In every society there is search for solutions to reconcile the self and the general interest. It is strange to abandon government as the principle responsible actor in this process of reconciliation. Yet, this is what has happened during the last decades.

It is desirable and possible, through political pressure exerted by public intellectuals and citizens, to make governments work better. Legitimacy, accountability, transparency and openness to debates are still key political concepts. Central to good government is the ability to balance leadership against the capacity to listen to the vox populi. A pre-condition for good government is active recognition by society that politics is an art and a profession deserving respect and requiring total dedication from those who embrace it.

In most societies, there is a crisis of legitimacy for the polity and of respect for politicians. As confusion between "politicking" and politics is widespread, consumers replace citizens, people do not participate in elections, and political parties lose their militants and potential leaders. Beyond human shortcomings, this situation is partly due to the violent or insidious propaganda and misinformation which is sweeping around the world, and particularly western democracies, over the past decades. Anti-government rhetoric - not the least from politicians - has, tended to coincide with the rise of global capitalism and the call for deregulation and liberalisation of regimes for trade, investment, and circulation of capital.

There is confusion between private corporation and the state, between private interests and public service, when, for example, politicians running for public offices do so on the basis of selling "private efficiency" versus "government waste and intrusive regulations". Even non-governmental organizations have become, most of the time unwillingly or inadvertently, instruments for government bashing and for reduction of politics to politicking. They are sometimes made to believe that they represent the true voice and aspirations of the people because parliamentary processes and governmental operations have become ineffective or technocratic. What should be a complementarity of roles has become a source of confusion and an additional problem for representative democracy.

A strengthened role of the state to build a humane world economy requires a rehabilitation of good old fashioned politics by reinforcing traditional structures and processes for decision-making in the democratic societies. An effective public service, also organized along traditional lines of merit, independence and dedication to the res publica is indispensable. In many instances, the moral code of public service has eroded and the ethos of the private sector has been presented as a prerequisite for competence and dynamism. Again, there seems to be a link between denigration of the public service and promotion of global capitalism. All the antidotes to the emergence of a market society, as opposed to a market economy, including the public service, should be protected and nurtured.

Aristotle identified four basic human activities: the productive activities through different types of work; the political activities, critical for the social fabric; the cultural activities; and the personal activities. The ideal of social progress is access for all individuals to all four types of activities. These activities are, at the same time, the vehicles for fulfilment of the person. Global capitalism and the market society emphasize only productive and personal activities. Jürgen Habermas believes that economic development means depolitisation of peoples. This trend destroys democracy and ultimately the integrity of society. Politics combines what people know and share to change reality.Politics moves collectivity towards new horizons.

***International Organisations to Build a Global Village***

There are in the world global endeavours, global problems, and an emerging global consciousness.

Global capitalism is the most visible and perhaps the most dynamic of the various endeavours that will shape the next century. It is not the only force moving humanity towards the next stage of its history.

Global problems exist or might appear in all spheres of society. Those currently on the agenda of the international community include the protection of the environment, poverty and social exclusion, racism, terrorism, drug abuse, and discrimination against women. Global capitalism has a responsibility for some of these problems. A well functioning market economy makes a contribution to the reduction of poverty and to the elimination of various forms of discrimination.

Global consciousness is the perception by people that there is a de-facto solidarity among individuals and nations and that the notion of common good applies increasingly to the international community. Democratized and enriched, the process of economic integration would be a powerful and positive force to enhance this global political and cultural consciousness.

The image of the "global village" conveys an aspiration. An open global market is not a global society. An international market does not generate ipso-facto an international economic order, nor a fortiori a democratic political and social order. There is no real global village today because the first requirement for such community, a council, is missing. There is no common ethos and no shared moral code. Only a small minority of individuals and institutions feel that the world has shrunk to the size of a familiar and convivial village. Actually, at this point, there is no suitable institution where to discuss the question of values and norms at the international level.

Ultimately, the world community might find it necessary to establish a world council and a world government to manage the opportunities and risks of the process of globalisation. At this point, an extensive network of regional and international organisations is a positive contribution to the building of a global village. Such network is made of a myriad of small and large, private and public, initiatives and institutions. For example, mayors, or artists, or engineers, or philosophers meeting across continents add to the emergence of a global consciousness. A special role has, however, been given by their constitutions, to the organisations of the United Nations system.

These organisations need to work with a common universalist ethos, based on shared principles and goals. At present, however, there is no necessity for complete coherence of mandates and policies according to an ex ante scheme. Actually, the richer the network of autonomous organisations, the better chance there is to address global problems, to respect diversity and to keep global capitalism within positive limits.

International institutions with power and prestige, notably the Bretton Woods institutions and the World Trade Organisation, are contributing to the process of economic integration. Through a democratisation of their "rules of the game", they might contribute to giving a voice to developing countries, and to improve the fairness of the international economy.

In other aspects of the globalisation process, including global threats to the environment, to health, to working conditions and including also global opportunities through communications, culture, and education, agencies of the United Nations system are making a significant if not always recognized contribution. The strengthening of these agencies, notably UNESCO, ILO and the WHO would help enriching the process of globalisation and propagate shared values.

The United Nations is, however, the only organisation with universal membership and the mandate for a political debate on the ways humanity intends to address its problems and construct its future. Its role needs to be enhanced. A forum for debates on fundamental, shared, and divergent values and norms has to be established. Somewhere, various facets of a vision to organize the world society and its governance, have to be debated. Together with, but beyond global capitalism, some kind of international society needs to be envisioned. All nations are equal partners in this quest. Only the United Nations can be an acceptable democratic forum for discussions and decisions on the future of humanity.

From the perspective of ideas and measures to enhance the contribution of the world economy to social progress, a few headings for the agenda of the united Nations and the international community would seem to be of particular importance:

It is necessary to promote democracy in international economic relations. This would require changes in the functioning of institutions and transparency in the management of the world economy. Starting with financial flows and speculations, a form of global control has to be put in place. Democracy at the international level means acceptance of views and objectives which might complicate the process of economic integration.

It is equally necessary to promote economic and social justice at all levels of the world economy. Questions of opportunities for entrepreneurship, work, employment, and education, and questions of equality, equity, and redistribution of income, ought to receive priority in national and international policies.

It would be useful to debate the elements and ideals that constitute a good economy and a good society. A premise for such debate would be a recognition that the desire for better levels of living is legitimate and universal. The concept of "basic needs" is only a tool to measure levels of poverty in the world and to stimulate policies for increasing levels of living. Humanity cannot be divided into two separate groups. A raison d'être of a well functioning world economy is to offer to a maximum number of people the enjoyment of goods and services. A related premise would be the need for policies to orient scientific and technological developments towards patterns of production which are favourable to human activity and respectful of the environment.

It would also be useful for the international community to reaffirm the absolute values which define the common humanity of all and to enlarge the domain of shared values. A working assumption would be that the extent of the sharing of values throughout the various cultures and nations of the world, including for instance on the basic requirements of a democratic system, should not be underestimated. More than in lack of agreement on basic and instrumental values and norms, problems with a universal implementation of the rights embodied in international instruments, stem from abuses of power, lack of means for action of the institutions responsible for the monitoring of the respect for the various accepted rights, and also inconsistencies in the policies of the organisations and countries playing a leading role on the international scene.Another working assumption would be that diversity in cultures, ways of life and practical arrangements for harmonious social relations is a source of enrichment for all. The international community should debate and elaborate the practical implications of a renewed emphasis on the values of solidarity and responsibility. Given the magnitude of the obstacles to social progress, arrangements are required, including in the financial domain, to address global problems.

International organisations, together with national governments and other actors, have the major duty to work for the emergence of a global political conscience.

## ANNEX I

### Participants to the Seminar

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| Mr. Poul Nielson | Chairman, Minister for Development Cooperation | Denmark |
| Mr. Khalid Alioua | Member of the Parliament | Morocco |
| Mrs. Birgit Breuel | Ambassador, General Commissioner for Expo 2000 | Germany |
| Mrs. Joan Burton | Minister of State, Department of Foreign Affairs | Ireland |
| Mr. Nitin Desai | Under Secretary-General, | United Nations |
| Mrs. Vigdis Finnbogadottir | Former President | Iceland |
| Mrs. Geraldine J. Fraser-Moleketi | Minister of Welfare and Population Development | South Africa |
| Mr. Xabier Gorostiaga | Rector, University of Central America | Nicaragua |
| Mr. Hisanori Isomura | President, Japanese Cultural Centre in Paris | Japan |
| Mr. Donald J. Johnston | Secretary-General, | OECD |
| Mr. Lars Kolind | General Manager, Oticon | Denmark |
| Ms. Marju Lauristin | Professor, Tartu University | Estonia |
| Mr. Ray F. Marshall | Former Secretary for Labor | U.S.A. |
| Mr. Devendra Raj Panday | Former Minister, Economist | Nepal |
| Mr. Kwame Pianim | Economist | Ghana |
| Mr. Giandomenico Picco | Former Assistant Secretary -General, United Nations | Italy |
| Mr. Koos Richelle | Director General, Ministry of Foreign Affairs | The Netherlands |
| Mr. Stan Sanders | Lawyer | U.S.A. |

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| Mr. Pierre Elliott Trudeau | Former Prime Minister | Canada |
| Mr. Tu Wei Ming | Professor, Harvard University | U.S.A. |
| Mr. Varujan Vosganian | Member of Parliament | Romania |
| Mrs. Zuo Huanchen | Vice Mayor of Shanghai | China |

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Secretary of the Seminar:
Mr. Jacques Baudot

Royal Danish Ministry of Foreign Affairs:
Mr. Peter Brückner, Undersecretary for Multilateral Affairs
Mr. Finn Jønck, Head of Department
Mr. Henrik Kill, Private Secretary

Assistants:
Mr. Lars Zbinden Hansen
Mrs. Mette Pedersen

## ANNEX II

### Themes and Questions Included in the Agenda for the Seminar

**Theme 1: Economic Integration through Partnership**

- Is Economic integration and globalization, as presently shaped by the dominant economic and political thinking leading to increasing inequalities?
- Is it creating economic growth and wealth for some - nations, groups, corporations and individuals - and also poverty, marginalisation, dual societies and a dual world?
- Are these negative features inherent in a process based on competition and concentration of power?
- Can they be corrected through time and the "trickle down effect"?
- What are the most significant barriers to corrections through deliberate policies?
- What criteria and values should be used to assess the contribution of the world economy to social progress?
  - Does it contribute to an overall increase in global wealth?
  - Does it help provide a growing number of peoples with an economic base?
  - Is it the major cause of rapid, anarchic and excessive urbanisation or is it compatible with a more balanced pattern of human settlement?
  - Does it impose uniformity or is it amenable to diversity in life-styles, arts and cultures, ways of thinking and institutions?
- Assuming that isolationism and economic autarchy is neither practical nor desirable, how can democracy and partnership become features of the process of economic integration and globalization?
- What are the institutions through which such partnership can be implemented, particularly at the international level?

**Theme 2: Economic Justice through Solidarity**

- What philosophical and political justifications can fuel the search for social and economic justice and equality, within and among groups and nations?
- Are concepts of human dignity and human nature, transcending all differences, sufficient motivation?
- Has the concept of solidarity a potential mobilizing appeal?
- Concentrating on the size of the "pie", and leaving aside its nature and composition, can poverty be reduced and eliminated without strong redistributive measures?
- Conceptually, and to a large extent politically, an emphasis on the reduction of poverty and on the satisfaction of basic needs, is compatible with more inequalities among social groups, in income and other terms. In economic terms, however, is there such compatibility at the world level?
- Even if it were technically and politically feasible, would it be desirable to strive for more equity and equality at the world level without modifying the content of what ought to be shared?

- If the current dominant pattern of production and consumption is both unsustainable and morally wrong, should more equality mean first more frugality among the affluent societies and classes?
- Is it legitimate, and politically and intellectually manageable, to aim both at satisfying the "basic needs" of all and at redefining poverty as a lack of "being" rather than an insufficient "having"?

**Theme 3: Self Interest and the Common Good**

- Is the free interplay of market forces generating as much social progress as can be expected in an imperfect world? - Or, is there a need for more regulations?
- What is the meaning of "free global market"? - Is the process of globalization generating concentration of power? - If so, is concentration an obstacle to an increased contribution of the international economy to the common good?
- Is there a need to redefine the roles and responsibilities of the private and public spheres?
- How should the quasi-universal weakening of public authorities - from governments to political parties and public services - be interpreted?
- Is there a direct relation, between such weakening - in prestige and legitimacy - and the prevalence of a laissez faire ideology focused on individual and corporate success?
- Should the role of international organizations in the regulation of the world economy be revisited? - strengthened?
- Is there need for a new organization focused on the contribution of the world economy to social progress?
- To what extent would more transparency of international economic and financial transactions, and more accountability of the main economic actors, be morally desirable and useful?
- What possibilities are there to insure that an international regulating agency would have a democratic composition and functioning?

**Theme 4: Elements for a Humane World Economy**

- What are the concepts, data and indicators that need to be developed to enrich the perception, understanding and management of a world economy oriented towards the service of humanity?
- How to define wealth, efficiency, poverty and other key concepts?
- What elements of political philosophy ought to be shared by the main actors on the world economic scene?
- Can partnership have a concrete meaning at the international level?
- Is there a continuum between the ability to implement solidarity at the national level and the same capacity at the regional and international levels?
- How can power be oriented by an ethos of responsibility and service?
- What are the elements of a moral philosophy to be shared by the actors shaping the world economy?
- How can the notion of "limits" and moderation, brought about by issues of environment, population, and science and technology, be used as opportunity for wisdom rather than as constraint?
- Are there signs in the modern culture of a renewed interest in reconciliation of individualism and social responsibility?
- Is the main problem with the current process of economic integration and globalization the fact that it has permeated too many facets of the modern culture?
- How to promote a market economy while rejecting a market society?

## ANNEX III

### List of Background Documents Prepared for the Seminar

- Corporate Interest, Ethics and the Common Good,
  *by Frank Aguilar*

- A New Planetary Bargain: Towards Ecologically Sustainable Social Progress,
  *by Dennis Pirages*

- Developing in a Liberalized and Globalizing World Economy: an Impossible Challenge?
  *by Ignacy Sachs*

- The Contour of an Alternative to the Current Process of Integration in the World Economy: an African Perspective,
  *by J.P.R. Ochieng'Odero and Eric B. Orina*

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